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MAGAZINE
NOVEMBER 12, 1979 • $1.25

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Reliving the Crash of '29

By MURRAY N. ROTHBARD

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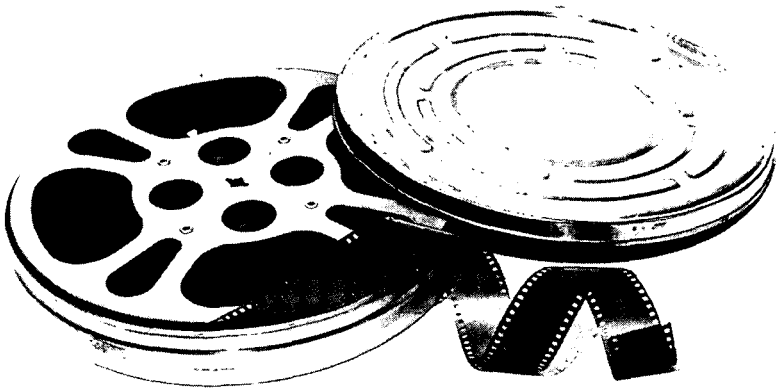

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NOVEMBER 12, 1979

Reliving the crash of '29

MURRAY N. ROTHBARD **p. 15**

Fifty years after the stock market crash of 1929, the United States is still pursuing the economic policies that led to the disaster of the Great Depression.

Czechoslovakia's road to underdevelopment

RADOSLAV SELUCKÝ **p. 20**

A reformist Marxist looks at his country's crippled economy and concludes that quashing the market led to economic disaster—and Stalinist tyranny as well.

COLUMNS & REVIEWS

Inquiries ..... **p. 3**

Hyping Henry; Bedtime for equal time.

First Amendment Watch ..... **p. 7**

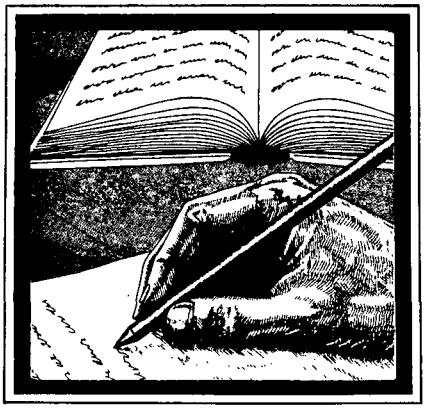
Guilt by book association. A federal appeals court has affirmed that reading a book about violence led a man to conspire to act out the ideas in the book. Will the Supreme Court decide you are what you read? (*NAT HENTOFF*)

Bread & Circuses ..... **p. 10**

Snowbound in the White House. Hamilton Jordan, like Peter Bourne before him, is learning the hard way that drug laws have always been enforced selectively, and often for political reasons. (*PHIL STANFORD*)

Corporate State ..... **p. 12**

Sinking maritime subsidies. More than a century of protection and subsidies have brought the U.S. shipbuilding industry to the brink of disaster. (*PAUL N. MCCLOSKEY, JR.*)



Books ..... **p. 24**

Anthony Burgess on *Harvard Guide to Contemporary American Writing*, edited by Daniel Hoffman; William C. Dowling on *The Right Stuff*, by Tom Wolfe; and Robert Bresler on *Not to the Swift: The Old Isolationists in the Cold War Era*, by Justus Doenecke.

Films ..... **p. 30**

Stephen Harvey reviews *The Onion Field*, directed by Harold Becker, and *Time After Time*, directed by Nicholas Meger.

Cover illustration by ERKKI ALANEN. *Typography by* MACKENZIE-HARRIS AND SOLOTYPE.

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A WORD FROM THE PUBLISHER

THAT EXPANSIONIST monetary policies are the sole source of inflation seems in this day and age to be indisputable. The greater the quantity of any commodity, the less value each unit of the commodity will possess. And so it is with money. The more the Feds create, the less each of the bills in our pockets will buy. Even the network news appears to be comprehending that fact. Less obvious are the dangerously distorting signals that expansionist monetary policies inherently send out to the economy. Economist-historian Murray Rothbard, in our cover article commemorating the fiftieth anniversary of the Great Depression, warns that we must eventually learn this if we are to avoid a similar economic catastrophe in the future.

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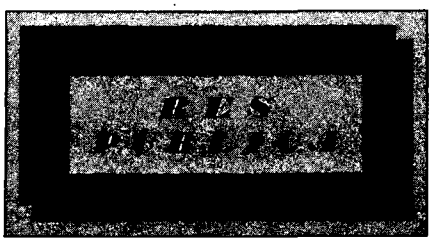

So what's the primary purpose?

■ One day this fall, every family in New England will find at its front door a plastic bag containing a timely gift from Jimmy Carter. Each bag will hold both a slick pamphlet offering 11 low-cost tips for cutting home-heating bills this winter and a free plastic gadget that can be inserted in shower heads to save hot water. . . .

Administration officials planning the [$3 million] project insist that it hasn't any connection with the presidential campaign. . . .

—Wall Street Journal, Sept. 17, 1979

Peanut butter from heaven

■ Coast Guard planes dropped food and water yesterday to 209 Haitian refugees stranded on two barren islands in the Florida Straits.

The Coast Guard planes dropped bread, peanut butter, jelly and about 45 gallons of fresh water to the Haitians [Coast Guard spokesman] Anderson said.

—San Francisco Chronicle, Oct. 4, 1979

Justice isn't always blindfolded

■ Three out of every five federal judges in the South—and probably more than half in the nation—belong to segregated, all-white social clubs, the Southern Regional Council will report today.

—Los Angeles Times, Sept. 19, 1979

Yes, Virginia . . .

■ . . . the White House established a system that will allow it to reward its friends and penalize its enemies in doling out patronage jobs involved in taking the 1980 census. [Mikel] Miller [director of recruiting for the census] explained the White House plans to a pro-Carter Democrat in this way: "Christmas is coming and this year the role of Santa Claus will be played by the president. I and my staff are Santa's elves who work in Santa's workshop. We check to see who has been naughty and nice, and then we load the sleigh."

—Washington Post, Sept. 22, 1979

Spare the rod and spoil the child

■ The tough Arab nationalist leadership of Iraq has launched an extraordinary literacy campaign that makes refusal to learn reading, writing and arithmetic a crime punishable by fines and jail terms. . . . The United Nations Educational, Scientific, and Cultural Organization earlier this month awarded Iraq its annual prize for the most effective literacy campaign in the world.

—Washington Post, Sept. 27, 1979

Liberty is not license

■ The State Department urged that the South Korean government not arrest Kim [Young Sam, opposition leader], who harshly criticized the Park government in an interview published in the New York Times. The State Department also urged Kim not to goad the Park government through inflammatory talk.

—Washington Post, Sept. 19, 1979

Arbeit macht frei

■ A variety of medallions and souvenirs for the Moscow Olympics of 1980—including metal charms of Misha, the Olympic mascot bear—are being produced by forced labor in Soviet prison camps, a recently released prisoner said here.

—Los Angeles Times, Sept. 29, 1979

Those 25-hour days are murder

■ When it comes to collecting overtime from the federal government, you can crown retired U.S. Navy repair foreman Anthony Marzolla the champion.

Marzolla, whose base salary was $28,300, put in for 65 hours of overtime each week last year—some of it for the time he spent attending four parties at the Guantanamo Bay naval base where he worked. As a result he grossed about $85,000 last year, . . .

—Los Angeles Times, Oct. 4, 1979

With a few exceptions, of course

■ Prime Minister Pieter Botha of South Africa has offered to consider changing South Africa's laws barring sex or marriage across the color line. . . . "I will not tolerate any laws on the statute book that insult people," Botha said.

—Washington Post, Sept. 27, 1979

Let's see, didn't he head the Siberian Tourist Office?

■ Eighty out of 100 Communist youth leaders in Hungary have no idea who is meant to be running their country. . . . Seventeen percent of those polled knew nothing about Lenin, 31 percent had no idea who Stalin was, and 42 percent professed ignorance about Khrushchev. . . .

Stalin was ingenuously described by one youth leader as "the former governor of Hungary during the Stalinist era." Another appeared to confuse him with Hitler by claiming he was "commander-in-chief of the Germans and was finally shot in the head."

—Washington Post, Sept. 24, 1979

Affairs of state

■ After Zaire's President Mobutu Sese Seko visited here recently, Zbigniew Brzezinski sent President Carter this note: "You should know that rhinoceros horns such as the one Mobutu gave you are second only to unicorn horns as an aphrodisiac. (Can I borrow it sometime?)" In the margin, Mr. Carter wrote, "If you certify the need and identify your partner."

—Wall Street Journal, Oct. 3, 1979

Run for the hills

■ The chairman of the Nuclear Regulatory Commission said yesterday that the NRC might take control of a stricken nuclear power plant in the event of another accident like Three Mile Island.

—Washington Post, Oct. 4, 1979

The grim reaper

■ In an October 7 interview in the *New York Times* Italian journalist Oriana Fallaci asked the Ayatollah Khomeini about recent executions of Iranians for adultery, prostitution, and homosexuality. Said Khomeini:

"If your finger suffers from gangrene, what do you do? Do you let the whole hand, and then the body, become filled with gangrene, or do you cut the finger off? What brings corruption to an entire country and its people must be pulled up like the weeds that infest a field of wheat."

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The media forget the past

Hyping Henry

IN LATE SEPTEMBER, ON THE EVE OF his nationally televised speech on the Soviet troops in Cuba, Jimmy Carter summoned to the White House fifteen elder statesmen—the papers next day dubbed them the "wise men"—to advise him. The names of the guests were familiar and, by now, utterly predictable: Clark Clifford, John J. McCloy, and Averell Harriman. George Ball, McGeorge Bundy, Nicholas Katzenbach, Roswell Gilpatric, and John McCone. Dean Rusk. William Rogers, David Packard, James Schlesinger. Henry Kissinger. The "best and the brightest." Only Dean Acheson was missing; Acheson, sad to say, is dead. They had all been there before, from the Iran crisis of 1946 to the Truman Doctrine, the Berlin blockade, Korea, the Bay of Pigs, the Cuban missile crisis, and Vietnam. Wise men indeed.

The architect of this gathering of greybeards and war criminals was Hedley Donovan, a new White House aide who apprenticed for thirty-four years in the Luce empire, most recently as editor-in-chief of *Time*. Donovan's job is to help the President shine his image, which has grown tarnished of late. What more appropriate device than to surround the beleaguered Carter with faces from thirty years of *Time* covers? Who cares that Donovan's "wise men" crafted the foreign-policy disasters of the past? Memories are short, and *Time* is one reason.

As if to prove the point, *Time* that same week began its three-part serialization of the White House memoirs of one of Donovan's "wise men," Henry Kissinger. Older readers may remember Kissinger—who is now professor of diplomacy in the School of Foreign Service at Georgetown University and counselor at the university's Center for Strategic and International Studies, commentator for NBC, and consultant to Goldman Sachs & Company—as Richard Nixon's national-security adviser and, later, secretary of state. Among the foreign-policy moves for which he is most noted are the secret bombing of Cambodia and Laos, the invasion of Cambodia, the "destabilization" of the regime of Chile's Salvador Allende, the Christmas bombing of 1972, and the wiretapping of his own staff—to confine ourselves to Nixon's first term. Most of these were controversial actions, at the time and in retrospect, and one would have hoped—and from any other publication one would have expected— these excerpts, gleaned from 1521 pages containing close to three-quarters of a million words, to provide some answers to the troubling questions critics have raised about the legality and morality of Kissinger's conduct in office. At the very least, from the weekly *news*magazine, as *Time* bills itself, one would have hoped for some news.

Fat chance. By the same sleight of hand that allows Hedley Donovan to portray Dean Rusk and James Schlesinger as "wise men," *Time* opened its pages to Kissinger's expert self-serving rationalizations and evasions. In exchange for a few gossip-column items on life with Nixon (Was it Kissinger, Nixon, or Bebe Rebozo who was too sloshed to salute Mount Vernon as the Presidential yacht cruised by the night before the invasion of Cambodia?), readers must endure the same defense of the indefensible that they read in *Time* ten years ago, then attributed only to "a high government official." To have printed it once can be justified as reporting; to print it again is obsequious.

On its program hyping the memoirs, NBC was rescued from similar servility only by the good luck of having hired an outsider, David Frost, to interview Kissinger. Frost says that after two taping sessions, Kissinger—who has a five-year, million-dollar contract with the network to comment on foreign affairs—demanded the opportunity to add to, subtract from, and supplement answers he had given to some uncharacteristically tough questions on his policies in Cambodia. According to Frost, NBC News executives told him the questioning had been "too tough" and agreed to the changes, but backed down when he publicly protested. NBC and Kissinger deny any such request was made. "The decision to use David Frost was taken before I arrived," sighs William Small, head of NBC News, who plainly intends never again to put his million-dollar star in a situation where he'll have to admit on the air that he lies. Next time Kissinger will go up against a network journalist who knows the rules, somebody like the Kalb brothers of CBS.

Tough questions may make for good television, but you've got to remember—those "wise men," they got friends at the top. ❏

The time is now

Bedtime for equal time

PERHAPS YOU WERE ONCE CONVINCED TO vote for Ronald Reagan by watching him in an old movie on late-night television. Though this seems on its face to be a rather bizarre proposition, such influence is in fact deeply feared by the Federal Communications Commission. And since this silly season of election time is upon us now, we should expect more such profundities from the commission in the name of enforcing equal time.

"Equal time" is a provision of federal communications law clothed in the pure raiment of fairness and equity. It says that if a licensed broadcasting station permits a legally qualified candidate to use its facilities, it must afford equal opportunities for other such candidates.

It sounds good. But in practice it's a nightmare for both

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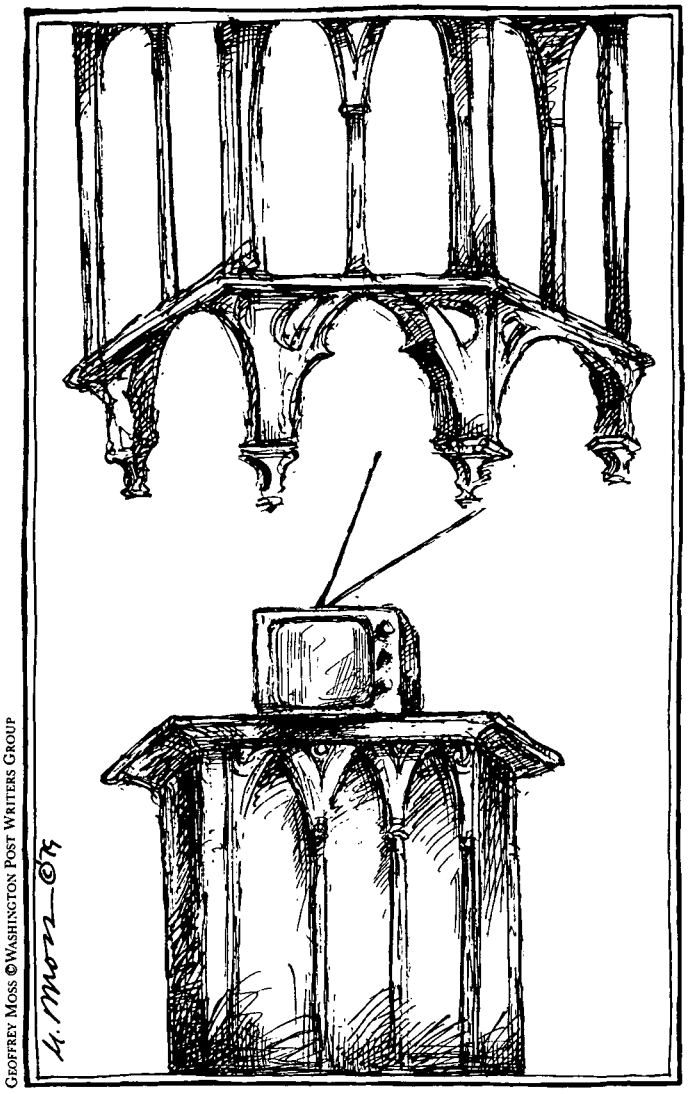
candidates and television stations. It denies the voters considerable information about the candidates and curtails the free speech of broadcasters and politicians.

The sort of counterproductive nitpicking for which the commission is famous includes its decades-old internal dispute about whether candidate debates and press conferences were or were not bona fide news. It might seem that this is precisely the sort of thing that editors should decide, but once the equal-time rule was in place, procedural wrangling by the government was what determined the substance of news received by citizens.

Meanwhile, broadcasters have a business to run. They don't want to invite an interesting candidate to a talk show and then have to include everyone else in a crowded primary. Nor do they wish to sell a large bloc of time to a candidate who will attract few listeners, thereby losing advertising money, especially when this will also mean that they have to offer the same amount of time to his political rivals.

Furthermore, together with equal-time requirements, Congress has required that broadcasters sell or give time to candidates for federal office, and in the sixty days before the general election sell time to candidates at the lowest commercial rates. The already shaky independence of the broadcast media is further undermined when the FCC can prescribe what advertisements to run and what prices to charge for them. For example, in 1976 one broadcaster insisted on upholding his 20-year-old policy on the length of political ads. He said that because the issues in an election are complex, he would not sell blocs of time of less than five minutes. The commission ordered the broadcaster to run 30-second and one-minute spots. (It later modified that position.) In 1975, a court invalidated a Florida statute regulating political advertising rates for newspapers on the grounds that it affected the content of the publication.



GEOFFREY MOSS ©WASHINGTON POST WRITERS GROUP

During the primary season these rules and regulations make it financially unattractive for stations to sell time to candidates. In October the Carter, Reagan, and Connally campaigns were complaining that the equal-time rule was effectively deterring the networks from selling them time.

Because of all these constraints there is also a chilling effect on coverage of announced candidates during the primary season and of minor party candidates at every stage.

Since coverage of a nonpolitical event (like a candidate's participation in a charity drive) or programming that includes a candidate in some other nonpolitical capacity (a George Murphy movie or a Pat Paulsen comedy routine) is deemed by the FCC a political use of the media, broadcasters are put under unnecessary strain, moviemakers and entertainers lose income that should rightfully be theirs, and charities lose publicity and the donations that come with it.

Thus the rule unfairly hurts publicly prominent candidates. At the same time, it encourages such candidates to deceive the public in a small way by denying that they are running for office. If Ted Kennedy or Ronald Reagan delays his official announcement, his stories do not trigger equal-time claims, syndicated radio programs can continue, and much more liberal funding rules apply. Such overt pettifoggery hardly ennobles the democratic process and is a good sign that the rule itself should go.

The argument that repeal of the equal-time rule would ensure that the richest candidate wins has numerous flaws. First of all, this is fundamentally an argument against free expression since it also implies that the best-financed political ideas or religious values will necessarily win, and that therefore the government should ration time for all expression, including that in newspapers and pulpits. Secondly, the equal-time rule militates against minor parties even when they have interesting programs or attractive candidates. Like campaign finance laws the equal-time rule works in favor of incumbents and against challengers and third parties. Lastly, this argument assumes—like a familar but widely discredited argument against advertising in general—that people are robots and cannot recognize a snow job when they see one. This is especially ludicrous when one realizes the automatic distrust most Americans have of people running for political office.

Believing as we do that the First Amendment's guarantees should be recognized by the courts as extending to broadcasting, we would like to see a Supreme Court decision overturning the equal-time rule. All that needs to be done is to substitute language about broadcasting into the conclusion of the Court's excellent opinion in the *Miami Herald* case:

"A newspaper is more than a passive receptacle or conduit for news, comment, and advertising. The choice of material to go into a newspaper, and the decisions made as to limitations on the size and content of the paper, and the treatment of public issues and public officials—whether fair or unfair—constitute the exercise of editorial control and judgment. It has yet to be demonstrated how government regulation of this crucial process can be exercised consistent with First Amendment guarantees of a free press as they have evolved to this time."

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THE WORST THING THAT CAN HAPPEN TO SOME CHILDREN IS THEIR PARENTS.

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Ad Council

Sad but true. There are many confused adults in America today who are abusing their children. Either physically, sexually, emotionally, or by neglect.

It is estimated that there are at least one million cases of child abuse in America each year, and over 2,000 of those children die. Studies show that child abusers have emotional needs that aren't being satisfied. As a result, they can't cope with stress very well, and often take their frustrations out on their children. Also, most child abusers were abused while they were growing up, so they've learned no other way to raise their own children.

Help destroy a family tradition. Child abuse is a vicious cycle, continuing from generation to generation. Most people erroneously believe that child abusers can't be helped. They can be helped, and you can be a part of that help. Let us tell you what we have in mind.

PREVENT CHILD ABUSE. WRITE:

National Committee for Prevention of Child Abuse, Box 2866, Chicago, Ill. 60690.

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LETTERS

Letters to the editor should be addressed to INQUIRY Magazine, 1700 Montgomery Street, San Francisco, California 94111. The editors reserve the right to edit letters for length when necessary.

Multiple drownings

YOUR EDITORIAL [AUGUST 6 & 20, 1979] condemning Carter for not completely eliminating immigration barriers against Indochinese refugees comes about four years too late. Cuban refugees were freely admitted immediately after Castro's takeover in 1959. Why hasn't the same been done for Vietnamese refugees all along since 1975? Why have 100,000 to 200,000 boat people, according to official Australian estimates, been left to perish on the high seas, from hunger, thirst, exposure, drowning, and acts of piracy?

The answer is that the Ford administration was prepared, in the spring of 1975, to use its "parole authority" to admit some 200,000 endangered Vietnamese over and above the legislated quotas, if and when Saigon fell. However, this parole authority is subject to congressional oversight. On April 17, 1975, the chairmen of the Senate Judiciary Committee and its Refugee Subcommittee sent then Secretary of State Henry Kissinger a letter making it clear that they would erect every red tape obstacle at their command—even down to daily consultations—to keep these people out.

This policy is not unlike that of the United States in the 1930s towards Jewish refugees from Hitler. Boatloads of these people wandered from port to port, desperately seeking a new home. By not admitting them, we were partially responsible for their ultimate fate.

In 1975, Senator James Eastland was the chairman of the Judiciary Committee. His posture was understandable, since he represented Mississippi, possibly the most racist of Southern states. The position of the cosigner of this letter, however, is more difficult. This individual was Senator Edward Kennedy, who has an apparently misguided constituency among defenders of human rights. His coresponsibility for the South China Sea holocaust should be appreciated by all who would support him for the Presidency.

Chappaquiddick pales in comparison to this deed. The earlier incident was obviously an accident. It involved only one life, was committed during off duty hours, and represented the old, immature Teddy Kennedy.

The South China Sea incident, on the other hand, was a deliberate, official act involving hundreds of thousands of lives. It shows what we can expect from the new, mature Ted Kennedy.

J. HUSTON MCCULLOCH
Associate Professor of Economics
Ohio State University

The money machinery

A READER [J. ALMBLAD] IN Portland, Oregon, has paid me a compliment that I'm afraid I must quibble with. In a letter [Sept. 10] to the editor, he said I had cut through a lot of nonsense about inflation ["What the press doesn't know about inflation," May 14, 1979], whose "only cause" was deficit spending and whose basic machinery was "the printing presses at the Treasury Department."

Deficit spending, yes. But not only by the Treasury.

For many years, I have been arguing that inflation is just what the dictionary says it is: an oversupply of money. Not sunspots, not Arab oil, not greedy farmers, not lazy workers, not extravagant housewives, not welfare.

Evidently, though, I have not clearly enough addressed another fallacy: that the only villain is the federal budget deficit. That is a grave shortcoming. Let me try to mend it here.

It is true that when the federal government spends more than it takes in, the difference is made up by the creation of new money. But the same is true for other borrowers.

The Constitution gives Congress the power to make money. It long ago assigned this power to the banking system through the Federal Reserve System (not the Treasury). The bulk of our money now is in the form of checks, deposits, and other credit instruments, including credit cards.

When the government or any other borrower obtains a loan, the banks simply enter the amount in the borrower's checking account. They keep only a tiny portion of the total in reserves; the rest is created out of thin air.

Nobody knows how many of these magic dollars are actually floating around. The Federal Reserve, which admits its figures are highly unsatisfactory, keeps five major series, numbered M-1 to M-5, and several subseries.

Recent figures for the money supply showed about $96 billion in greenbacks alone, about $375 billion in cash plus checking accounts (M-1), and $1652 billion for just about all the ready funds that the Fed can keep track of (M-5).

There is also an unknown amount of phantom money abroad: the so-called Eurodollars, many of them lodged in banks in tax-haven countries where no regulators can track them. A common but fairly wild guess is that they run to at least $600 billion.

Now, against these figures, consider that the federal deficit for the fiscal year that ended September 30 came to about $30 billion. M-2 alone (cash, checks, and small savings accounts) has increased by three times as much. Short-term loans to business have been growing at a rate of nearly 30 percent a year. And so on.

Clearly, then, the federal deficit accounts for only a fraction of the growth in the money supply.

It's a substantial amount, but if it were the only addition to the money supply it could be balanced by an equivalent increase in the production of goods and services.

This is not to defend the deficit. As a permanent feature of our policy, in times of boom as well as recession, it is a dishonest, inefficient, and unfair way of meeting the government's bills. As part of the machinery of inflation, it is a hidden tax on all of the public, and especially on the slow and the weak.

Certainly, we should have a balanced budget, with surpluses in good years making up for deficits in bad ones. How much government we need—how we should divide our national income as between public and private functions—ought to be a separate question.

The point here is that if we are to get inflation under control, we are going to have to get our credit-making machinery under control. And that will apply even more to the banks than to the government.

JOHN L. HESS
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NAT HENTOFF

Guilt by book association

THE ONLY PHYSICAL EVIdence against the defendant was a book written by a stranger. It contained passages advocating violent revolution. The defendant's fingerprints were found on four of the more inflammatory pages. Although the defendant maintained that he himself never advocated violence, he was forced by the prosecutor to read to the jury certain passages from the book. Like: "Armed struggle is the only solution for people who fight to free themselves."

With others, the defendant was on trial for having allegedly participated in political acts of violence: bombings. Unlike the others, he was acquitted of all counts concerning the actual commission of the crimes. But he was convicted of a conspiracy to commit those crimes and received a sentence of five years in prison. It is clear from the court record and from the appellate briefs that the prosecutor convinced the jury that in this case, reading a book about violence led the defendant to conspire to act out the ideas in the book.

This conviction of a man for reading a book did not take place in Eastern Europe or Latin America but rather in a federal district court in Oregon. Moreover, the Ninth Circuit Court of Appeals by a vote of 2 to 1 has affirmed the principle of guilt by association with a book. The Supreme Court has now been asked to review the case, and in a rare move, the American Civil Liberties Union has filed an *amicus curiae* brief in support of that petition for certiorari. Except for clients it directly represents, the ACLU usually does not enter *amicus* briefs until after the Court has decided to review a case. But, it points out, the "dangerous precedent" established by these opinions below "compels us to depart from our long-standing practice." After all, as a dissenting court of appeals judge, Shirley Hufstedler, has said of this case, "Freedom of speech would be totally destroyed if the shadow of the prosecutor fell across the pages of the books we read."

The book-reader on whom the prosecutor's shadow fell in this case is Frank Stearns Giese. At the time of the trial, Giese was 58 and a professor of French at Portland State University. He also ran the Radical Education Project bookstore and, as a prison volunteer, used to lead group discussions at the Oregon State Correctional Institution. There, and at the bookstore, he came to know his codefendants and unindicted coconspirators.

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Prudent readers may consider Giese's conviction a warning to avoid used-book stores.

What led to the trial were the bombings in January 1973 of navy and army recruiting centers in Portland. Giese maintained not only that he had not been involved in those acts, but also that he had never, anywhere, preached revolution or the use of violence, including bombings. He had, nonviolently, worked for civil rights and against the war in Vietnam.

Aside from the "incriminatory" book with Giese's fingerprints on it—*From The Movement Toward Revolution*, edited by Bruce Franklin and published by Van Nostrand Reinhold Company—the government's case against Giese depended almost entirely on two witnesses against him. One had pleaded guilty to the bombing and conspiracy charges and, in return for a sentencing deal, had agreed to testify against Giese. The other, a codefendant, had a considerable history of mental illness and a criminal record. As Judge Hufstedler was to say later, "both men had unsavory records and . . . both witnesses were seriously impeached during the trial."

Accordingly, the prosecutor decided to use the guilt-by-book-association ploy. In its searches of the homes of the various defendants, the government had picked up a number of books, some of them guides to the handling of explosives (*The Blaster's Handbook, Special Forces Handbook*, etc.). But try as it might, the government was unable to show that Giese had any connection with these manuals for fierce autodidacts.

But in one apartment (not Giese's), *From The Movement Toward Revolution* had been apprehended and put in protective custody. Among the fingerprints found on its pages were Giese's. On the stand, Giese was asked if he had ever read this baleful book. "I have read snatches of it," he said. To more vividly associate the defendant with the book, the prosecutor then ordered him to read parts of those pages on which his fingerprints had appeared. These passages had been written by unidentified members of the Black Panther party, not by Giese.

Among those Panther exhortations, as read, involuntarily, by Giese to the jury: "Racism, colonialism, sexism and all of the other pigisms . . . can only be ended by revolution, and revolution is violence, revolution is war, revolution is bloodshed."

IN THE PROSECUTOR'S ARGUment to the jury, as Giese's appellate lawyer, Doron Weinberg, has pointed out, "The book became the central element of the Government's case against Dr. Giese, inasmuch as it was the only physical piece of evidence in the case which could be tied to him."

Indeed, in his closing address to the jury, the prosecutor emphasized: "Did we make up the Frank Giese fingerprints on the book, *From The Movement Toward Revolution*? . . . You read those pages where Frank Giese's fingerprints were. You read those pages. It talks

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about bombing, sniper attacks. You read that book. You read other pages throughout there. Look at page 51, for instance, look at the preface. Throughout that book are references to the very thing that these people did."

On October 16, 1974, three of the defendants were found guilty of all charges, but Giese was convicted only of conspiracy. He was allowed to remain free on bond pending appeal, but if the Supreme Court decides not to review his case, he will be placed in the slammer, and not as a volunteer. Because of the verdict, Giese has already lost his teaching position. He continues running his bookstore which, by the way, has never stocked *From The Movement Toward Revolution.*

When the case went up to the Ninth Circuit Court of Appeals, two judges saw nothing improper in the use of the book against Giese because it was intended to show "the intent, purpose, aim and motives of participants to the conspiracy." Furthermore, said the majority, the book tended to prove that Giese had associated with other defendants since the fingerprints of three of them, along with Giese's, had been on its pages. Prudent readers may consider this a warning to avoid used-book stores and buy only new books and then put them in a safe—to which only you have the combination—between readings.

The majority also thought it was perfectly okay for the prosecutor to have forced Giese to read passages from the book to the jury so that the government would have a chance to rebut Giese's own evidence that he was a "scholarly, humane, peace-loving political activist who possessed a decidedly non-violent character." According to this novel prosecution doctrine, you are what you read. And although you may have read only snatches of a book pushing violence, a jury may fairly conclude by that fact alone that you may have been lying to it when you testified that you weren't a bomber.

Furthermore, said the Ninth Circuit, "Even if the act of reading did hurt Giese's cause to some extent, the probative value of enabling the jury to observe his demeanor while he was being impeached outweighed the prejudicial effect. The 'requested performance' was clearly relevant to an important issue in the case: Giese's credibility. Evidence is normally taken by means of *viva voce* testimony of witnesses rather than by written depositions because it is considered crucial for the judge and jury 'to obtain the elusive and communicable evidence of a witness's deportment while testifying.'"

A prosecutor hands a book to a defendant and tells him to read from it. The defendant knows that this "requested performance" is aimed at getting him sent to jail. Unless the defendant is a skilled actor, what kind of "demeanor" is he likely to reveal? Nervousness. Thoroughly justified nervousness. Of course, Giese would have been all the more nervous had he imagined that one of the most influential courts in the land would be able to find so many reasons to justify the government's Czechoslovakian conduct in this case.

THE DISSENTING OPINION in the appellate panel was by a judge—frequently mentioned as a leading candidate to become the first woman Supreme Court justice—whose opinions are usually clear and solid, but seldom passionate. This time, however, Shirley Hufstedler was plainly scornful of her colleagues in the Ninth Circuit and outraged at the government prosecutor below.

For instance, she wrote: "The fingerprint evidence did not prove that the persons whose prints appeared had been associated with each other. The evidence only proved that the persons who handled the book had been associated with the book. . . . The proof of book association was not relevant to any issue in the case."

And as for a book revealing a defendant's nature, "The contents of the books that a person reads cannot be used as evidence of his peaceable or non-peaceable character. No inference of any kind can be drawn about a person's character from the kinds of books he

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reads. We have no basis in human experience to assume that persons of 'good' character confine their reading matter to 'good' books, or that persons who read peaceful books are peaceful people, or that persons who read books involving violence are violent people."

A reasonably intelligent fifth-grader could have been expected to come to the same conclusion, but what makes Judge Hufstedler's elementary conclusions so alarmingly notable is that they are part of a *dissenting* opinion in a United States Court of Appeals.

The judge continued, her anger rising: "The contents of the book were not admissible for any purpose in this case and the compulsory reading from the book made the error even more egregious. The prosecutor's transparent purpose in requiring Giese to read the inflammatory passages of the book was to convey to the jury that the words of the author were the words of Giese. The prosecutor fully exploited that strategy in his argument to the jury."

Then, Judge Hufstedler gets to a subject evaded by the majority of the appellate court, let alone the district judge and the prosecutor: the First Amendment. "The author's writing of the book," Hufstedler pointed out, "and Giese's reading of the book are constitutionally protected. The freedom to write books and to read books, to advocate ideas and listen to ideas are fundamental constitutional rights that may neither be denied nor abridged."

Yet, "the Government's theory, which it argued to the jury, was that the ideas of an author of a book may properly be attributed to the reader of the book and then used against him to prove disposition to commit a crime, motive to undertake criminal action, or proof that he did the acts charged. None of these uses is constitutionally permissible. . . . Even during the evil thralldom of McCarthyism, we did not embrace the concept of guilt by book association. . . . The use of book reading, including the reading of violent books, to impeach a person's character is utterly incompatible with constitutional protections afforded free speech."

Finally, "Giese had not been indicted for his politics or for his literary tastes, and he should not have been put on trial for either."

Should the Supreme Court decline to review the Giese case, the more perniciously inventive prosecutors around the country are likely to take an intense interest not only in the reading tastes of certain defendants, but in the topics of their informal discussions as well, because one of the prosecutor's stratagems in this trial was to keep reminding the jury that Giese and his codefendants had often *talked* about politics from a radical perspective. And the way the case has come out so far, as Judge Hufstedler underscores, leads to the premise, "persons who discuss radical politics are predisposed to form conspiracies."

The High Court is now called upon to rule that a man may not be tried for the books he reads.

But it was the book *From The Movement Toward Revolution* that really did Giese in. Yet the Supreme Court has already—partially—affirmed the First Amendment right to read. In *Stanley* v. *Georgia* (1969), the Court said: "If the First Amendment means anything, it means that a state has no business telling a man, sitting alone in his own house, what books he may read or what films he may watch. Our whole constitutional heritage rebels at the thought of giving government the power to control men's minds."

Nonetheless, the history of this case—especially its recent history—makes clear that the High Court is now called upon to rule that once a man leaves his house, he may not be put on trial for any book he has read there or anywhere else.

THERE IS YET ANOTHER dimension to this case. What if Giese had testified that, while he did not engage in any of the violent acts at issue, and had never done anything violent in his life, he nonetheless did believe that the kind of society he wanted to see could not come about *without* violence? In his petition for Supreme Court review, Giese correctly maintained that he has the First Amendment right "to discuss and even advocate the necessity of violence in the abstract." Judge Hufstedler agrees: "Abstract advocacy of violence is constitutionally protected."

The High Court, then, could make this case the basis for an opinion that will greatly clarify and vigorously affirm fundamental First Amendment rights to read and to advocate. But I would settle for an endorsement of the narrower but crucial conclusion that the ACLU submits in its brief: "Permitting the government to obtain a conviction on the basis of a book that a person has read passages from would wholly eviscerate the protections of the First Amendment."

At one point in the odyssey of this case, after the decision against Giese on appeal, there was a petition for a rehearing by the full court. It failed. One judge, Walter Ely, who voted in favor of having a full hearing, said that he did so because the majority opinion "constituted an impediment to the intellectual growth of our citizenry."

And it surely does, if the Supreme Court lets that majority opinion stand. But then, since we are a resourceful people, we will find ways to read a controversial book with some impunity. Wearing gloves while reading, let us say. The problem there, however, is that whenever a law-enforcement agent sees a gloved reader, he might well consider him a citizen under suspicion. ❑

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PHIL STANFORD

Snowbound in the White House

PETER BOURNE, YOU WILL recall, was Jimmy Carter's chief adviser on drug policy. That is, he was until July 1978, when he resigned after being caught writing a phony prescription for Quaaludes for one of his assistants. Under federal law, this is a felony. What really did Bourne in, however, was the charge, which surfaced the day following the Quaalude story, that in December 1977—seven months earlier—Bourne had used cocaine at a party held by the National Organization for the Reform of Marijuana Laws, or NORML. Before the story of the cocaine incident was made public—first by Jack Anderson on television, and then by the *Washington Post*—Bourne had actually intended to ride out the public storm. But, as Bourne said at the time, "When I got up this morning and looked at the papers, I knew what I had to do." Declaring his innocence on all counts, Bourne resigned. In his letter to Carter he suggested that he was a victim of politics. "I now clearly recognize that I am an instrument through which others attempt to bring disfavor to you," he wrote.

However, before he left town, Bourne allowed himself a few parting words. Of course he wasn't guilty, he told a reporter for the *New York Times*, but he happened to know that there was a "high incidence of marijuana use" and "occasional use of cocaine" by other members of the White House staff. Naturally, this created another minor media tempest. Reporters for the *New York Times* actually started calling White House offices to ask people there if they used drugs. ("Yesterday, seven junior members of the White House staff said they smoked marijuana regularly in their leisure hours and were directly and indirectly aware of the use of cocaine by some of their colleagues.") The *Times* also published an article citing the statistics on the use of marijuana and cocaine in the United States (according to a 1978 Gallup poll 44 percent of all Americans between the ages of 26 and 34 have tried marijuana) and quoted a doctor, Lester Grinspoon of the Harvard Medical School, on the more specific question of White House participation in the national sport. Said Grinspoon, "If there were no use of marijuana and cocaine in a group of young people with the kind of educational and social background White House people have, that would characterize them as rather unusual in the United States today."

And then, rather abruptly, the whole issue dropped out of sight.

Part of the reason may have been the memo that Carter sent to all his senior aides, reminding them that it was their duty to obey the law whether they agreed with it or not. Part of the reason may have been the White House's own finding, rather convenient under the circumstances, that no further investigation of the matter was called for. And part of it, one can reasonably assume, was Jody Powell's thinly veiled threat to retaliate against the press if it pushed the issue any further. The press, Powell said, was engaged in a hypocritical "witchhunt," and it had better watch its step. "All of us are not going to be in public life forever . . . having to bite our tongue when we see this sort of thing going on." Whatever the reason, the press moved on.

AND NOW HAMILTON Jordan, Jimmy Carter's White House chief of staff, has been accused of snorting coke. Not once, mind you, but on two separate occasions. The first incident (in the order the charges were made public) is alleged to have occurred in June 1978 at the chic New York discotheque called Studio 54. The accusation was made by two owners of the discotheque who are currently under indictment on charges of not reporting $2.5 million in income to the IRS. The second incident actually involves a couple of parties Jordan atttended in Los Angeles in October 1977. For a time, the star witness in this, the West Coast episode, was one Lana Rawls, who said she met up with Jordan's party at a Beverly Hills nightclub and, at the request of one of the members of the group, purchased $500 worth of cocaine for them. According to Rawls, the party, including Jordan, used the cocaine at the nightclub and later at a hotel. At least that was her original story. According to her lawyer, she now says that she has no "direct evidence" that Jordan used the cocaine himself (although, if the news stories are to be believed, she does not deny that she bought the cocaine for the group).

Another party took place the following night at the Beverly Hills home of Leopold S. Wyler, a wealthy industrialist who at the time was a supporter of the newly elected President. However, as Wyler told interviewers this September, he was "appalled" at the conduct of the Carter staff members who came to his home. "I'm sure they were using drugs," he said. "They kept going in and out of the bathroom, and I heard people being offered 'hits' of cocaine." Wyler, who is currently involved in an effort by liberal Democrats to unseat Carter in the next election, also told CBS television that he found the behavior of the Carter staff members at the party "licentious."

Jordan denies all the charges. In fact, he says he has never used illegal drugs. Rosalynn Carter has told the press that she believes in Jordan's innocence and considers the White House chief of staff to be "a very clean-cut, very decent young man." Jordan's close friend John Golden, who was with Jordan in Los Angeles, has told the press that not only has Jordan never used drugs, but that he himself has never used illegal drugs in Jordan's presence. The problem, as various spokesmen for Jordan and the

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White House contend, is that people are out to get Jordan. To use Pat Caddell's words, the charges have come "out of the woodwork from characters with suspect motives." Jody Powell contends that the charges, especially those by Wyler, are politically motivated, part of the "dump Carter movement."

Perhaps this is a predictable excuse. However, that doesn't necessarily make it false. To see why, it is useful, once again, to refer to the Peter Bourne affair.

AS I'VE SUGGESTED, THE effective cause of Bourne's resignation was the news reports that he had used cocaine at a party thrown by NORML in July 1978. Bourne (and a number of White House aides) had been invited to the party because at the time the Carter administration—and Bourne in particular—were considered friendly to NORML's cause. By all accounts, it was a terrific party. Six hundred people attended. There was champagne, jugglers and rock bands provided entertainment, and there was plenty of dope. Two members of the NORML staff spent the entire day before the party rolling joints.

According to the accounts I have heard, after Bourne arrived he was invited upstairs to a more private party that included perhaps twelve to twenty chosen guests. NORML director Keith Stroup was among those present. Someone passed around a vial of cocaine and Bourne snorted some of it through a rolled-up dollar bill. No one thought much more about it—except perhaps to muse how nice it was to get high with the President's chief drug adviser—until seven months later.

That is when Stroup dropped a dime on Bourne. He told reporters that he had seen Bourne use cocaine, an illegal narcotic, at a party. Why did Stroup turn on his guest? During the intervening months, Bourne had taken an increasingly hard line against marijuana. He had even supported the spraying of Mexican marijuana fields with Paraquat. So when the opportunity presented itself—Bourne was caught writing the phony prescription—Stroup played his card. It worked.

Stroup was subsequently censured unanimously for this act by NORML's board of directors. He has since resigned and is now practicing law here in Washington. With Patrick Anderson, the former Carter speech writer, he is writing a book about his experiences as a lobbyist for the legalization of marijuana—including, he says, a full chapter on the NORML party.

Stroup's role as an informant in the Bourne case is generally known. We should not, however, overlook the part played by journalists. As it happens, the primary informants in the Bourne case were journalists—one on the staff of Jack Anderson and the other on the *Washington Post*. Both were in a very good position to know what went on at the NORML party because both were there. Clearly, neither was there as a journalist. Presumably, they were both enjoying themselves; it was, in any case, the wrong place to go if they were looking for an ice cream sundae.

When Bourne was caught writing a phony prescription, Stroup played his card, and it worked.

The journalist from Jack Anderson's staff was a 26-year-old reporter named Gary Cohen. Actually, Cohen was not in the room where the private coke party took place; he was downstairs. However, he learned about it immediately after it happened. Why did Cohen decide to turn in his report seven months later? "I wasn't sure whether I ought to write the story or not," he told a reporter for the *Times*. "I felt awful about it, but when I heard that the *Post* was going after it, I knew it was going to come out anyway and so I wrote it." Over the telephone, Cohen told me that he knows a number of other top White House aides who use drugs, but he refuses on principle to pass their names along for his boss to use in his column.

There were also two *Washington Post* reporters in the room with Bourne that night. One of them was the source of the *Post*'s story. In the *Post* account he was identified only as "the witness"; no mention was made of his connection with the *Post*. I have not yet been able to verify his name. And who knows what his motives might have been. A raise? An edge in the scramble for promotions? A smile from Ben Bradlee? Tom Zito, who admits to being the second *Post* reporter in the room, says he refused when an editor asked him to talk for the record about the events of that night. He also refused to name the other *Post* reporter. Perhaps we shall learn the identity of "the witness" when Stroup and Anderson publish their book. And why not? As another Georgian, Greg Allman, can tell you, this is a very dirty business. At this point, Jordan would hardly disagree.

THE USE OF DRUGS, ESPE- cially marijuana or cocaine, is probably Washington's worst-kept secret. Do members of the Fourth Estate use drugs, as Jody Powell suggested during the Bourne incident? Of course we do. I know any number of newsies who smoke dope and snort coke; I even know some who don't. The same goes for members of other professions. The proportion of users here is probably about the same as the national average; if anything, it is higher, because, as the polls seem to show, the incidence of use increases with income and level of education. Newsmen do it; lobbyists and activists do it; bureaucrats do it; congressmen do it; even—let us frankly state the obvious—White House staffers behind closed doors do it. So what?

The only difference between the inhabitants of official Washington and those of any other city is, besides what might be described as a general rigidity of character, their obsession with power and position. But add to this the threat of blackmail, which is inherent in all victimless crime, and something quite new and entirely unappealing emerges. Hamilton Jordan, through his spokesmen, claims that he is being persecuted for political reasons. Whether he is guilty or innocent of the charges made against him, this possibility cannot be lightly dismissed. It does seem significant that the offenses he is alleged to have committed, one in October 1977 and the other in June 1978, were not reported earlier. (To place this in even clearer perspective, both dates fall *before* the Bourne incident.) It is also true that Leo Wyler, who has accused Jordan of using cocaine at his Beverly Hills home, is now a political enemy and a supporter of Ted Kennedy for President. The political connection in the other incident is more speculative. Mitchell Rogovin, the lawyer for the two Studio 54 owners, is also a longtime Kennedy man. This may be a coincidence, and then again it may not.

Drug laws have always been enforced selectively, usually against unpopular groups and individuals, often for political reasons. What we are witnessing is not an aberration. ❏

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CORPORATE STATE

PAUL N. MCCLOSKEY, JR.

Sinking maritime subsidies

THE RECENT HISTORY OF the U.S. shipbuilding industry offers a clear and convincing demonstration of the ultimately destructive impact of protectionist economic policies. For more than one hundred years, Congress and successive administrations have been accustomed to yielding to the industry's demands for insulation against market competition; during that same period the shipbuilding and associated maritime industries have been in a continuing state of decline that was interrupted (and thereby saved) only by the onset of world wars. In the past, maritime seapower needs required massive shipbuilding efforts; future wars, even those not ending in nuclear exchange, would not seem so demanding.

Recently, despite billions in federal shipyard subsidies and "Buy American" laws, U.S. shipyard decline has been accelerating; observers agree that U.S. shipbuilding is now at—or past—the brink of disaster. Ed Hood, head of the Shipbuilders Council of America, testified to the House Merchant Marine Subcommittee last spring that of the present twenty-six major U.S. shipyards capable of building ships at least 800 feet long, only eight would be operating by 1985 unless U.S. laws were changed. In the face of this impending collapse, the House of Representatives last summer began considering legislation that could change the policies that have so clearly failed. But the industry's lobbyists are already hard at work to forestall any such change, arguing that the best remedies for the present protectionism-induced malady are even greater subsidies and protectionism. These lobbyists' track record of success is virtually unbroken, inasmuch as they attract the support of the so-called Steel Caucus and Port Caucus—enough votes in Congress to generally constitute a majority.

The British shipbuilding history is an example of the failure of protectionism.

For a brief moment in the 1850s, the American merchant marine fleet almost replaced that of Great Britain as the largest on the seas. U.S. shipbuilders, using the abundant timber from our forests and the skills of a productive, nonunionized, well-paid labor force, were turning out high quality ships at the lowest prices anywhere. Our clipper ships were the fastest vessels on the water, breaking speed records on almost every voyage. Our merchant fleet carried two-thirds of the nation's rapidly growing foreign commerce, and was competing aggressively for sea trade around the world.

For the U.S. to supplant the British would have been a remarkable feat. Britannia had been the world's preeminent sea power for centuries and controlled the trade of a vast empire; we were younger, smaller, and had no colonies at all. But British shipowners were burdened with restrictions designed to protect domestic shipbuilders by obliging them to buy British-built ships, then substantially more expensive than U.S. ships. Higher ship prices meant higher capital and operating costs, and thus obliged them to charge higher, less competitive shipping rates. British shipowners complained bitterly about this restriction, but the government was unwilling to take on the politically powerful shipbuilders. Instead, the shipowners were placated by being granted monopolies on the trade of the empire.

The empire and its cargoes were big enough to support a sizable fleet, but the empire was not the world, and outside the empire the upstart Americans were rapidly gaining influence, sailing everywhere in their cheaper, faster ships, winning cargoes and carrying them off. At the peak of the American surge, our fleet was 90 percent as big as Britain's.

With the transition to steam power and steel ships, however, and with changes in British law and policy away from protectionism, the tide turned against the U.S. merchant fleet and against our shipyards.

Britain repealed its restrictive maritime policies in the early 1850s; its shipowners, now free to buy ships wherever they could get the best price and deprived of their trade monopolies, fought to stay competitive and succeeded. They bought many American ships, stimulating a brief spurt of production in U.S. yards, but in those years the wooden ship was rapidly being replaced by iron and steel vessels. Development of the U.S. steel industry lagged behind Great Britain's and British owners were soon able to buy the best and cheapest steel ships at home.

Observers agree that U.S. shipbuilding is now at—or past—the brink of disaster.

During the Civil War many U.S. ships were sunk or sold abroad, but most damaging to the U.S. fleet was the fact that U.S. maritime laws retained some of the same protectionist restraints the British had just repealed; most important, U.S. shipowners were required to buy U.S.-built ships. When American shipbuilders had been the best and cheapest in the world, this was not a problem, but with the coming of steel ships, the "Buy American" restriction became a burden, and it remains one. This restriction is an easily recognizable contributor to the recent bankruptcies of Pacific Far East Lines and the States Lines. With few exceptions, American shipbuilders have never reestablished the levels of productivity that characterized the industry in its early period; with the cushion of the "Buy American" policy, they have not been obliged to.

Freed from protectionist restraints, the British merchant marine after the American Civil War grew phenomenally—especially considering that it was the largest in the world to start with. By the early 1900s, British merchant ships had captured fully half of the entire seaborne trade of the world. In the meantime, the U.S. fleet's share of American foreign trade, a trade that had continued to grow rapidly as the nation kept expanding, had fallen from 76 percent in the 1850s to an embarrassing 10 percent by the beginning of World War I. The danger of this dependence on foreign shipping was clearly shown when, at the beginning of hostilities, Britain and

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other countries abruptly called their merchant ships home for war duty. The result was chaos on America's docks, but not, unfortunately, any basic improvement in our maritime policies.

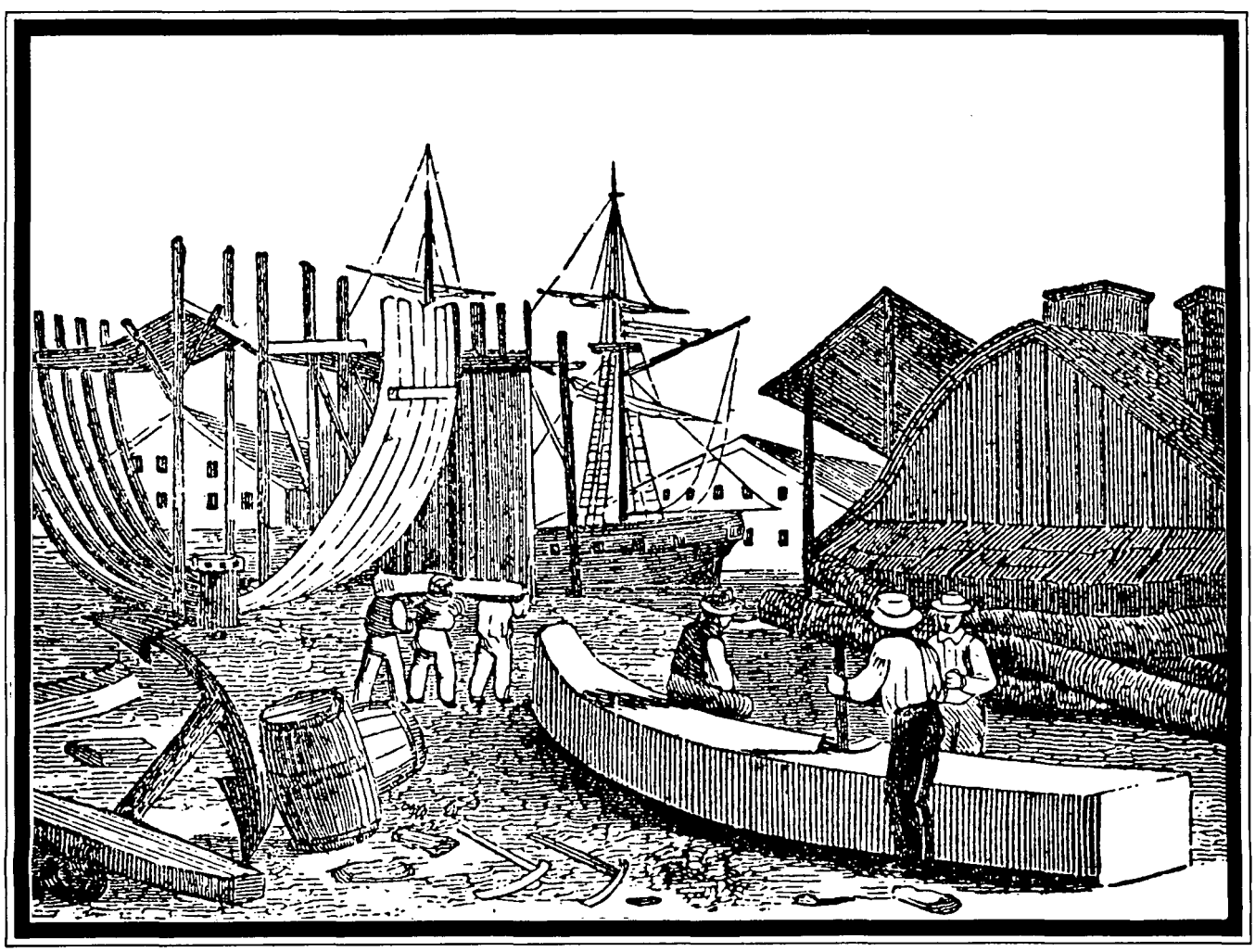
THE STORY SINCE THEN is not much different: Our foreign commerce has continued to increase, and the U.S. merchant marine has continued to decline. Our shipyards are now two to three times more costly than those of foreign builders. Sea-Land, the largest U.S. ship operator, recently wrote to the House Merchant Marine Committee that it could buy a ship from Korean shipyards for $30 million that would have cost $80 million to build in the United States. Worse yet, the same ship that could be delivered in two years by the Korean yard would take four years to build in the United States. No wonder the U.S. merchant marine is today tenth in size in the world and carries only 4 percent of the huge volume of our foreign commerce.

Despite the chronic anemia induced in our maritime industries by mistaken policies, Congress has until now stuck by them steadfastly, heeding the protectionist calls of the shipbuilding industry. Most shipowners have tacitly accepted the status quo rather than demanding change. What they have demanded, instead of the right to buy their ships wherever they could get the best prices, was the equivalent of the old British navigation monopolies, in the form of cargo-preference laws obliging shippers to use their ships and to pay premium, and of course federally subsidized, shipping rates. Current cargo-preference laws cost the taxpayers hundreds of millions of dollars each year by subsidizing otherwise higher shipping rates (exact figures are impossible to obtain). In addition, the shipyards and the merchant marine continue to ask for extensive direct subsidies, for both ship construction and operation.

Cargo-preference and subsidy programs are complex and various, but they have two characteristics in common: first, they cost the taxpayers large amounts of money; second, they have failed to halt the chronic decay of the American shipbuilding and merchant marine industries, their primary goal.

An end to these policies may be in sight. The worldwide shipbuilding industry, heavily overbuilt in the early seventies, has been in a deep depression since 1974; a massive contraction including U.S. yards is imminent. The Shipbuilders Council of America testimony that only eight of twenty-six existing yards would still be operating by 1985 signaled recognition that our historic protectionist policies were not working. Despite the $1.7 billion spent in federal shipyard subsidies since 1970, the industry is obviously very ill.

Two of the ten subsidized U.S. shipping lines went bankrupt in 1978, three more lost money, and of the remaining five, few if any could claim to be operating more than marginally. Ironically, the most prosperous U.S. shipping lines are the few that have forsworn subsidies. Leading these is Sea-Land Service, a line that pioneered the use of containers for shipping; this technology has revolutionized the industry. Sea-Land took advantage of a loophole in the "Buy American" restriction that allows a U.S. shipowner to buy foreign ships but at the cost of exclusion from operating sub-



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sidies. Sea-Land's technological innovation and aggressive competitiveness have enabled it to prosper without this federal largesse. Its example, reminiscent of the fabled Yankee clippers that almost eclipsed the British fleet, has not yet tempted the subsidized operators to seek similar freedom from governmental restrictions at the cost of losing federal subsidies.

One or two shipyards are not going to make the difference in any wartime emergency.

CONGRESS IS LEFT WITH only two real options if a prosperous U.S. merchant marine is to be created and preserved: (1) appropriate vastly greater sums for shipping subsidies and cargo preference, maintaining the industries as complete, all but nationalized wards of the federal government; or (2) rethink and rewrite federal maritime policy from the ground up, freeing the merchant marine from the protectionist restraints that have so thoroughly stunted its growth—as Britain did in the 1850s to meet the American threat.

There is little chance that Congress, given Proposition 13, the nation's current antigovernment spending mood, and a desire to balance the federal budget, will significantly increase maritime subsidies. There is hope, however, that the other option, that of lifting protectionist restrictions, may be taken. Last summer a bipartisan omnibus maritime bill, H.R. 4769, was introduced in the House of Representatives; hearings are now underway before the House Merchant Marine and Fisheries Committee. The bill includes provisions to end the "Buy American" restriction and enable U.S. shipowners to buy foreign-built vessels; they could document them under the U.S. flag and still be eligible for operating subsidies now reserved for U.S.-built ships. While this new bill leaves intact subsidy provisions that should ultimately be repealed, it does move in the right direction. Because foreign ships are so much less expensive, this provision could open the way to making the U.S. merchant fleet viable and competitive, enabling it to capture a substantial share of the expected growth in U.S. foreign trade in the balance of this century.

The bill also sets as a clear policy goal that 40 percent of U.S. foreign trade should be carried in U.S. vessels, as well as a reasonable proportion of foreign-to-foreign trade. But unlike previous protectionist cargo-preference statutes, this cargo policy does not reserve cargo by fiat; instead, it proposes a series of incentives designed to enhance the competitiveness of the U.S. fleet to the point where it is capable of winning and carrying this proportion. Among the incentives, one would decrease the burden of federal regulation in the industry and another would terminate current tax incentives that cause U.S. companies to put their ships under foreign flags.

The proposed omnibus bill also takes dead aim at the chronically low productivity in U.S. shipyards by tying further subsidies to improvements in efficiency. These provisions, especially the lifting of the "Buy American" restriction, are, predictably, strongly opposed by the shipyard lobby, which has lost no time in trying to prevent their passage.

If the shipyard lobby and its allies, the Port Caucus and Steel Caucus, succeed in sinking the omnibus bill, it will probably be with a torpedo mistakenly called "national security." The value of the shipbuilding industry in wartime has traditionally been cited as the bottom line, last-ditch justification for protectionism and subsidies to the industry, and cries of national security usually become more vehement as the yards become less able to compete on their own.

That good shipyards have national security value, none would deny. Twice in this century the United States has had to enter a major war without a merchant fleet large enough to provide vital military support and transport services. In World War II this gap was closed by a crash program that turned out thousands of Liberty ships; they became a crucial link in the chain of forces that defeated the Axis. In World War I, however, foreign shipping bore the brunt of the war effort; despite an emergency building program, by the time new U.S. ships came sliding down the ways, the war was over.

If another major war or national emergency were to catch our merchant fleet short, does "national security" require that we have a number of shipyards able to turn out ships?

The Propeller Clubs, veterans organizations, and maritime industry spokesmen say yes. Very probably they are wrong—mired in the same type of postwar strategic thinking that led France's military leaders to think that the Maginot Line would protect them against a German attack.

The fact is that the U.S. national security today does not depend on the need to send millions of men overseas again—to fight a conventional war on either the Asian or European continents. It would take three years following recognition of an emergency before the first ship could slide down the ways of a new U.S. shipyard. No qualified analyst of a U.S.–Soviet confrontation or a U.S.–Chinese confrontation suggests that a breakout of serious conventional war would not escalate into a nuclear exchange within 90 days.

Shipyard lobbyists contend that the national security requires that shipbuilding subsidies be continued. But to build four new ships a year (the number requested by the administration for fiscal year 1980) only one, or possibly two shipyards can get subsidies. One or two shipyards are not going to make the difference in any future wartime emergency. So why continue the program? The answer, of course, is that there is no reason whatsoever to continue shipyard subsidies beyond the guarantees of navy and coastwise ship construction that now exist.

In a choice between ships or shipyards, our first choice should be ships—an efficient, competitive, U.S.-flag merchant marine capable of carrying 40 percent or more of our foreign trade.

H.R. 4769, the maritime omnibus bill, is not perfect, and in any event it is likely to be amended quite substantially before it reaches the House floor. The dinosaurs of the decaying maritime industry can be counted on to try to cripple the bill and retain a protectionist maritime policy. Their record of success in this endeavor, over the past years, is awesome. Yet the bill offers the first basic reexamination of U.S. maritime policy since 1936; it attacks all of the admitted inadequacies of the basic 1916 Act as well.

Whether the Congress, the industry, and the administration will have the courage to change a century of deeply rooted protectionist policy in the maritime industry is an open question. ❑

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RELIVING THE CRASH OF '29

How Hoover's policies blazed the trail for FDR and wrecked the U.S. economy.

BY MURRAY N. ROTHBARD

A HALF CENTURY AGO AMERICA—AND then the world—was rocked by a mighty stock market crash that soon turned into the steepest and the longest lasting depression of all time. Only the cataclysm of World War II was able to pull the Western world out of the Great Depression. It was not only the sharpness and depth of the depression that stunned the world and changed the face of modern history: It was the length, the chronic economic morass persisting throughout the 1930s, that caused intellectuals and the general public to despair of the market economy and the capitalist system. Previous depressions, no matter how sharp, generally lasted no more than a year or two. But now, for over a decade, poverty, unemployment, and hopelessness led millions to seek some new economic system that would cure the depression and avoid a repetition of it.

Political solutions and panaceas differed; for some it was Marxian socialism; for others, one or another form of fascism. In the United States the accepted solution was a Keynesian mixed economy or welfare-warfare state. Harvard was the focus of Keynesian economics in the United States, and Seymour Harris, a prominent Keynesian teaching there, titled one of his many books *Saving American Capitalism*; that title encapsulated the spirit of the New Deal reformers of the thirties and forties. By the massive use of state power and government spending, capitalism was going to be saved from the challenges of communism or fascism.

One common guiding assumption characterized the Keynesians, socialists, and fascists of the 1930s: that laissez-faire, free-market capitalism had been the touchstone of the U.S. economy during the 1920s, and that this old-fashioned form of capitalism had manifestly failed us by generating, or at least allowing, the most catastrophic depression in history to strike at the United States and the entire Western world. Well, weren't the 1920s, with their burgeoning optimism, their speculation, their enshrinement of Big Business in politics, their Republican dominance, their individualism, their hedonistic cultural decadence, weren't these years indeed the heyday of laissez-faire? Certainly that decade *looked* that way to most observers, and hence it was natural that the free market should take the blame for the consequences of unbridled capitalism in 1929 and after.

Unfortunately for the course of history, the common interpretation was dead wrong: There was very little laissez-faire capitalism in the 1920s. Indeed the opposite was true: Significant parts of the economy were infused with proto–New Deal statism, a statism that plunged us into the Great Depression and prolonged this miasma for more than a decade.

In the first place, everyone forgot that the Republicans had never been the laissez-faire party: On the contrary, it was the Democrats who had always championed free markets and minimal government, while the Republicans had crusaded for a protective tariff that would shield domestic industry from efficient competition, for huge land grants and other subsidies to railroads, and for inflation and cheap credit to stimulate purchasing power and apparent prosperity. It was the Republicans who championed paternalistic Big Government and the partnership of business and government while the Democrats sought free trade and free competition, denounced the tariff as

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the "mother of trusts," and argued for the gold standard and the separation of government and banking as the only way to guard against inflation and the destruction of people's savings. At least that was the policy of the Democrats before Bryan and Wilson at the start of the twentieth century, when the party shifted to a position not very far from its ancient Republican rivals.

The Republicans never shifted, and their reign in the 1920s brought the federal government to its greatest intensity of peacetime spending and hiked the tariff to new, stratospheric levels. A minority of old-fashioned "Cleveland" Democrats continued to hammer away at Republican extravagance and Big Government during the Coolidge and Hoover eras. Those included Governor Albert Ritchie of Maryland, Senator James Reed of Missouri, and former Solicitor General James M. Beck, who wrote two characteristic books in this era: *The Vanishing Rights of the States* and *Our Wonderland of Bureaucracy*.

It was the Republicans who championed Big Government and massive federal spending.

But most important in terms of the Depression was the new statism that the Republicans, following on the Wilson administration, brought to the vital but arcane field of money and banking. How many Americans know or care anything about banking? Yet it was in this neglected but crucial area that the seeds of 1929 were sown and cultivated by the American government.

The United States was the last major country to enjoy, or be saddled with, a central bank. All the major European countries had adopted central banks during the eighteenth and nineteenth centuries, which enabled governments to control and dominate commercial banks, to bail out banking firms whenever they got into trouble, and to inflate money and credit in ways controlled and regulated by the government. Only the United States, as a result of Democratic agitation during the Jacksonian era, had had the courage to extend the doctrine of classical liberalism to the banking system, thereby separating government from money and banking. Having deposed the central bank in the 1830s, the United States enjoyed a freely competitive banking system—and hence a relatively "hard" and noninflated money—until the Civil War. During that catastrophe, the Republicans used their one-party dominance to push through their interventionist economic program; it included a protective tariff and land grants to railroads, as well as inflationary paper money and a "national banking system" that in effect crippled state-chartered banks and paved the way for the later central bank.

The United States adopted its central bank, the Federal Reserve System, in 1913, backed by a consensus of Democrats and Republicans. This virtual nationalization of the banking system was unopposed by the big banks; in fact, Wall Street and the other large banks had actively sought such a central system for many years. The result was the cartelization of banking under federal control, with the government standing ready to bail out banks in trouble, and also ready to inflate money and credit to whatever extent the banks felt was necessary.

Without a functioning Federal Reserve System available to inflate the money supply, the United States could not have financed its participation in World War I; that war was fueled by heavy government deficits and by the creation of new money to pay for swollen federal expenditures.

One point is undisputed: The autocratic ruler of the Federal Reserve System, from its inception in 1914 to his death in 1928, was Benjamin Strong, a New York banker who had been named governor of the Federal Reserve Bank of New York. Strong consistently and repeatedly used his power to force an inflationary increase of money and bank credit in the American economy, thereby driving prices higher than they would have been and stimulating disastrous booms in the stock and real estate markets. In 1927, Strong gaily told a French central banker that he was going to give "a little *coup de whiskey* to the stock market." What was the point? Why did Strong pursue a policy that now can seem only heedless, dangerous, and recklessly extravagant?

Once the government has assumed absolute control of the money-creating machinery in society, it benefits—as would any other group—by using that power. Anyone would benefit, at least in the short run, by printing or creating new money for his own use or for the use of his economic or political allies. Strong had several motives for supporting an inflationary boom in the 1920s. One was to stimulate foreign loans and foreign exports. The Republican party was committed to a policy of partnership of government and industry, and to subsidizing domestic and export firms. A protective tariff aided inefficient domestic producers by keeping out foreign competition. But if foreigners were shut out of our markets, how in the world were they going to buy our exports? The Republican administration thought it had solved this dilemma by stimulating American loans to foreigners so that they could buy our products.

A *FINE SOLUTION IN THE SHORT RUN, BUT* how were these loans to be kept up, and more important, how were they to be repaid? The banking community was also confronted with the curious and ultimately self-defeating policy of preventing foreigners from selling us their products, and then lending them the money to keep buying ours. Benjamin Strong's inflationary policy meant repeated doses of cheap credit to stimulate this foreign lending. It should also be noted that this policy subsidized American investment banks in making foreign loans.

Among the exports stimulated by cheap credit and foreign loans were farm products. American agriculture, overstimulated by the swollen demands of warring European nations during World War I, was a chronically sick industry during the 1920s. It had awakened after the resumption of peace to find that farm prices had fallen and that European demand was down. Rather than adjusting to postwar realities, however, American farmers preferred to organize and agitate to force taxpayers and consumers to keep them in the style to which they had become accustomed during the palmy "parity" years of the war. One way for the federal government to bow to this political pressure was to stimulate foreign loans and hence to encourage foreign purchases of American farm products.

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The "farm bloc," it should be noted, included not only farmers; more indirect and considerably less rustic interests were also busily at work. The postwar farm bloc gained strong support from George N. Peek and General Hugh S. Johnson; both, later prominent in the New Deal, were heads of the Moline Plow Company, a major manufacturer of farm machinery that stood to benefit handsomely from government subsidies to farmers. When Herbert Hoover, in one of his first acts as President—considerably before the crash—established the Federal Farm Board to raise farm prices, he installed as head of the FFB Alexander Legge, chairman of International Harvester, the nation's leading producer of farm machinery. Such was the Republican devotion to "laissez faire."

But a more indirect and ultimately more important motivation for Benjamin Strong's inflationary credit policies in the 1920s was his view that it was vitally important to "help England," even at American expense. Thus, in the spring of 1928, his assistant noted Strong's displeasure at the American public's outcry against the "speculative excesses" of the stock market. The public didn't realize, Strong thought, that "we were now paying the penalty for the decision which was reached early in 1924 to help the rest of the world back to a sound financial and monetary basis." An unexceptionable statement, provided that we clear up some euphemisms. For the "decision" was taken by Strong *in camera*, without the knowledge or participation of the American people; the decision was to inflate money and credit, and it was done not to help the "rest of the world" but to help sustain Britain's unsound and inflationary policies.

BEFORE THE WORLD WAR, ALL THE MAJOR nations were on the gold standard, which meant that the various currencies—the dollar, pound, mark, franc, etc.—were redeemable in fixed weights of gold. This gold requirement ensured that governments were strictly limited in the amount of scrip they could print and pour into circulation, whether by spending to finance government deficits or by lending to favored economic or political groups. Consequently, inflation had been kept in check throughout the nineteenth century when this system was in force.

But world war ruptured all that, just as it destroyed so many other aspects of the classical liberal polity. The major warring powers spent heavily on the war effort, creating new money in bushel baskets to pay the expense. Inflation was consequently rampant during and after World War I and, since there were far more pounds, marks, and francs in circulation than could possibly be redeemed in gold, the warring countries were forced to go off the gold standard and to fall back on paper currencies—all, that is, except for the United States, which was embroiled in the war for a relatively short time and could therefore afford to remain on the gold standard.

After the war the nations faced a world currency breakdown with rampant inflation and chaotically falling exchange rates. What was to be done? There was a general consensus on the need to go back to gold, and thereby to eliminate inflation and frantically fluctuating exchange rates. But how to go back? That is, what should be the relations between gold and the various currencies? Specifically, Britain had been the world's financial center for a century before the war, and the British pound and the dollar had been fixed all that time in terms of gold so that the pound would always be worth $4.86. But during and after the war the pound had been inflated relatively far more than the dollar, and thus had fallen to about $3.50 on the foreign exchange market. But Britain was adamant about returning the pound, not to the realistic level of $3.50, but rather to the old prewar par of $4.86.

Why the stubborn insistence on going back to gold at the obsolete prewar par? Part of the reason was a stubborn and mindless concentration on face-saving and British honor, on showing that the old lion was just as strong and tough as before the war. Partly, it was a shrewd realization by British bankers that if the pound were devalued from prewar levels England would lose its financial preeminence, perhaps to the United States, which had been able to retain its gold status.

So, under the spell of its bankers, England made the fateful decision to go back to gold at $4.86. But this meant that British exports were now made artificially expensive and its imports cheaper, and since England lived by selling coal, textiles, and other products, while importing food, the resulting chronic depression in its export industries had serious consequences for the British economy. Unemployment remained high in Britain, especially in its export industries, throughout the boom of the 1920s.

To make this leap backward to $4.86 viable, Britain would have had to deflate its economy so as to bring about lower prices and wages and make its exports once again inexpensive abroad. But it wasn't willing to deflate since that would have meant a bitter confrontation with Britain's now powerful unions. Ever since the imposition of an extensive unemployment insurance system, wages in Britain were no longer flexible downward as they had been before the war. In fact, rather than deflate, the British government wanted the freedom to keep inflating, in order to raise prices, do an end run around union wage rates, and ensure cheap credit for business.

The British authorities had boxed themselves in: They insisted on several axioms. One was to go back to gold at the old prewar par of $4.86. This would have made deflation necessary, except that a second axiom was that the British continue to pursue a cheap credit, inflationary policy rather than deflation. How to square the circle? What the British tried was political pressure and arm-twisting on other countries, to try to induce or force *them* to inflate too. If other countries would also inflate, the pound would remain stable in relation to other currencies; Britain would not keep losing gold to other nations, which endangered its own jerry-built monetary structure.

At the end of the war the world faced a currency breakdown and rampant inflation.

On the defeated and small new countries of Europe, Britain's pressure was notably successful. Using their dominance in the League of Nations and especially in its Financial Committee, the British forced country after country not only to return to gold, but to do so at overvalued rates, thereby

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endangering those nations' exports and stimulating imports from Britain. And the British also flummoxed these countries into adopting a new form of gold "exchange" standard, in which they kept their reserves not in gold, as before, but in sterling balances in London. In this way, the British could continue to inflate, and pounds, instead of being redeemed in gold, were used by other countries as reserves on which to pyramid their own paper inflation. The only stubborn resistance to the new order came from France, which had a hard-money policy into the late 1920s. It was French resistance to the new British monetary order that was ultimately fatal to the house of cards the British attempted to construct in the 1920s.

The United States was a different situation altogether. Britain could not coerce the United States into inflating in order to save the misbegotten pound, but it could cajole and persuade. In particular, it had a staunch ally in Benjamin Strong, who could always be relied on to be a willing servitor of British interests. By repeatedly agreeing to inflate the dollar at British urging, Benjamin Strong won the plaudits of the British financial press as the best friend of Great Britain since Ambassador Walter Hines Page, who had played a key role in inducing the U.S. to enter the war on the British side.

Why did Strong do it? We know that he formed a close friendship with British financial autocrat Montagu Norman, longtime head of the Bank of England. Norman would make secret visits to the United States, checking in at a Saratoga Springs resort under an assumed name, and Strong would join him there for the weekend, also incognito, there to agree on yet another inflationary *coup de whiskey* to the market. Surely this Strong-Norman tie was crucial, but what was its basic nature? Some writers have improbably speculated on a homosexual liaison to explain the otherwise mysterious subservience of Strong to Norman's wishes. But there was another, and more concrete and provable tie that bound these two financial autocrats together.

The House of Morgan was closely tied to British finance and the Bank of England.

That tie involved the Morgan banking interests. Benjamin Strong had lived his life in the Morgan ambit. Before being named head of the Federal Reserve, Strong had risen to head of the Bankers Trust Company, a creature of the Morgan bank. When asked to be head of the Fed, he was persuaded to take the job by two of his best friends, Henry P. Davison and Dwight Morrow, both partners of J. P. Morgan & Co.

The Federal Reserve System arrived at a good time for the Morgans. It was needed to finance America's participation in World War I, a participation strongly supported by the Morgans, who played a major role in bringing the Wilson administration into the war. The Morgans, heavily invested in railroad securities, had been caught short by the boom in industrial stocks that emerged at the turn of the century. Consequently, much of their position in investment banking was being eroded by Kuhn, Loeb & Co., which had been faster off the mark on investment in industrial securities. World War I meant economic boom or collapse for the Morgans. The House of Morgan was the fiscal agent for the Bank of England; it had the underwriting concession for all sales of British and French bonds in the United States during the war, and it helped finance U.S. arms and munitions sales to Britain and France. The House of Morgan had a very heavy investment in an Anglo-French victory and in a German-Austrian defeat. Kuhn, Loeb, on the other hand, was pro-German, and therefore was tied more to the fate of the Central Powers.

The cement binding Strong and Norman was the Morgan connection. Not only was the House of Morgan intimately wrapped up in British finance, but Norman himself—as well as his grandfather—in earlier days had worked in New York for the powerful investment banking firm of Brown Brothers, and hence had developed close personal ties with the New York banking community. For Benjamin Strong, helping Britain meant helping the House of Morgan to shore up the internally contradictory monetary structure it had constructed for the postwar world.

THE RESULT WAS INFLATIONARY CREDIT, a speculative boom that could not last, and the Great Crash whose fiftieth anniversary we observe this year. After Strong's death in late 1928, the new Federal Reserve authorities, while confused on many issues, were no longer consistent servitors of Britain and the Morgans. The deliberate and consistent policy of inflation came to an end, and a corrective depression soon arrived.

There are two mysteries about the Depression, mysteries having two separate and distinct solutions. One is, why the crash? Why the sudden crash and depression in the midst of boom and seemingly permanent prosperity? We have seen the answer: inflationary credit expansion propelled by the Federal Reserve System, in the service of various motives, including helping Britain and the House of Morgan. But there is another vital and very different problem. Given the crash, why did the recovery take so long? Usually when a crash or financial panic strikes, the economic and financial depression, be it slight or severe, is over in a few months, or a year or two at the most. After that, economic recovery will have arrived. The crucial difference between earlier depressions and that of 1929 was that the 1929 crash became chronic and seemed permanent.

What is seldom realized is that depressions, despite their evident hardship on so many, perform an important corrective function. They serve to eliminate the distortions introduced into the economy by an inflationary boom. When the boom is over, the many distortions that have entered the system become clear: Prices and wage rates have been driven too high, and much unsound investment has taken place, particularly in capital goods industries. The recession or depression serves to lower the swollen prices and to liquidate the unsound and uneconomic investments; it directs resources into those areas and industries that will most effectively serve consumer demands—and were not allowed to do so during the artificial boom. Workers previously misdirected into uneconomic production, unstable at best, will, as the economy corrects itself, end up in more secure and productive employment.

The recession must be allowed to perform its work of liquidation and restoration as quickly as possible, so that the economy can be allowed to recover from boom and depression and get back to a healthy footing. Before 1929, this hands-off

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policy was precisely what all U.S. governments had followed, and hence depression, however sharp, would disappear after a year or so.

But when the Great Crash hit, America had recently elected a new kind of President. Until the past decade, historians had regarded Herbert Clark Hoover as the last of the laissez-faire Presidents. Instead, he was the first New Dealer. Hoover had his bipartisan aura, and was devoted to corporatist cartelization under the aegis of Big Government; indeed, he originated the New Deal farm price support program. His New Deal specifically centered on his program for fighting depressions. Before he assumed office, Hoover determined that should a depression strike during his term of office, he would use the massive powers of the federal government to combat it. No more would the government, as in the past, pursue a hands-off policy.

As Hoover himself recalled the crash and its aftermath:

> The primary question at once arose as to whether the President and the federal government should undertake to investigate and remedy the evils. . . . No President before had ever believed that there was a governmental responsibility in such cases. . . . Presidents steadfastly had maintained that the federal government was apart from such eruptions . . . therefore, we had to pioneer a new field.

In his acceptance speech for the Presidential renomination in 1932, Herbert Hoover summed it up:

> We might have done nothing. . . . Instead, we met the situation with proposals to private business and to Congress of the most gigantic program of economic defense and counterattack ever evolved in the history of the Republic. We put it into action. . . . No government in Washington has hitherto considered that it held so broad a responsibility for leadership in such times. . . .

The massive Hoover program was, indeed, a characteristically New Deal one: vigorous action to keep up wage rates and prices, to expand public works and government deficits, to lend money to failing businesses to try to keep them afloat, and to inflate the supply of money and credit to try to stimulate purchasing power and recovery. Herbert Hoover during the 1920s had pioneered in the proto-Keynesian idea that high wages are necessary to assure sufficient purchasing power and a healthy economy. The notion led him to artificial wage-raising—and consequently to aggravating the unemployment problem—during the depression.

As soon as the stock market crashed, Hoover called in all the leading industrialists in the country for a series of White House conferences in which he successfully bludgeoned the industrialists, under the threat of coercive government action, into propping up wage rates—and hence causing massive unemployment—while prices were falling sharply. After Hoover's term, Franklin D. Roosevelt simply continued and expanded Hoover's policies across the board, adding considerably more coercion along the way. Between them, the two New Deal Presidents managed the unprecedented feat of making the depression last a decade, until we were lifted out of it by our entry into World War II.

If Benjamin Strong got us into a depression and Herbert Hoover and Franklin D. Roosevelt kept us in it, what was the role in all this of the nation's economists, watchdogs of our economic health? Unsurprisingly, most economists, during the Depression and ever since, have been much more part of the problem than of the solution. During the 1920s, establishment economists, led by Professor Irving Fisher of Yale, hailed the twenties as the start of a "New Era," one in which the new Federal Reserve System would ensure permanently stable prices, avoiding either booms or busts. Unfortunately, the Fisherines, in their quest for stability, failed to realize that the trend of the free and unhampered market is always toward lower prices, as productivity rises and mass markets develop for particular products. Keeping the price level stable in an era of rising productivity, as in the 1920s, requires a massive artificial expansion of money and credit. Focusing only on wholesale prices, Strong and the economists of the 1920s were willing to engender artificial booms in real estate and stocks, as well as malinvestments in capital goods, so long as the wholesale price level remained constant.

Today we are likely to end up with something far worse than a repeat of 1929.

As a result, Irving Fisher and the leading economists of the 1920s failed to recognize that a dangerous inflationary boom was taking place. When the crash came, Fisher and his disciples of the Chicago school again pinned the blame on the wrong culprit. Instead of realizing that the depression process should be left alone to work itself out as rapidly as possible, Fisher and his colleagues laid the blame on the deflation after the crash and demanded a reinflation (or "reflation") back to 1929 levels. In this way, even before Keynes the leading economists of the day managed to miss the problem of inflation and cheap credit and to demand policies that only prolonged the depression and made it worse. After all, Keynesianism did not spring forth full-blown with the publication of Keynes's *General Theory* in 1936.

WE ARE STILL PURSUING THE POLICIES of the 1920s that led to eventual disaster. The Federal Reserve is still inflating the money supply and inflates it even further with the merest hint that a recession is in the offing. The Fed is still trying to fuel a perpetual boom while avoiding a correction, on the one hand, or a great deal of inflation, on the other. In a sense, things have gotten worse. For while the hard-money economists of the 1920s and 1930s wished to retain and tighten up the gold standard, the "hard money" monetarists of today scorn gold, are happy to rely on paper currency, and feel that they are boldly courageous for proposing not to stop the inflation of money altogether, but to limit the expansion to a supposedly fixed amount.

Those who ignore the lessons of history are doomed to repeat it—except that now, with gold abandoned and each nation able to print currency *ad lib*, we are likely to wind up, not with a repeat of 1929, but with something far worse: the holocaust of runaway inflation that ravaged Germany in 1923 and many other countries during World War II. To avoid such a catastrophe we must have the resolve and the will to cease the inflationary expansion of credit, and to force the Federal Reserve System to stop purchasing assets and thereby to stop its continued generation of chronic, accelerating inflation. ❑

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CZECHOSLOVAKIA'S ROAD TO UNDERDEVELOPMENT

A reformist Marxist looks at his country's crippled economy and concludes that quashing the market led to economic disaster — and Stalinist tyranny as well.

By RADOSLAV SELUCKÝ

ON MAY 29, 1979, A study on Czechoslovak standards of living appeared in the West that pointed out that an insufficient supply of goods and services had led to widespread corruption and a black market; that there was a real lack of meat, vegetables, fruit, household goods, building materials, shoes, and clothing; and that to earn the money to buy a car, a Czech has to work 4334 hours compared to a Frenchman's 1434. On that date several persons were arrested in Prague who were members of the human rights group that had released the report. Though such facts about living standards can be found easily in the official Czech press and government statistics, to publish them abroad is, in the view of Czechoslovak authorities, the criminal offense of "spreading material which undermines confidence in state institutions."

This incident is nowadays rather typical of a country that only eleven years ago attempted to make its Soviet-type system both economically efficient and democratic. Once again, Czechoslovak socialism is neither efficient nor democratic. Ten years of counterreformation carried out by Dubček's conservative successor Gustáv Husák has turned Czechoslovakia back to the dark 1950s. Marx once noted, when quoting Hegel's observation that all facts and personages of great importance in world history occur twice, that "Hegel forgot to add: the first time as a tragedy, the second as a farce." Marx's remark fully applies to the present Czechoslovak situation. Though the Czechoslovakia of 1979 reminds one very much of the Czechoslovakia of 1952, its current plight is farcical indeed. First of all, it is being played in the world of détente rather than in that of the Cold War. Second, the present Czechoslovak farce is directed by cynical and corrupted clowns while the Czechoslovak tragedy of the early 1950s was directed by believing criminals. The contemporary Czechoslovak rulers pursue one principal goal: to eradicate the 1968 reform from the memory of the Czechoslovak people and to make its repetition impossible anywhere in Eastern Europe. Absurd though this goal may be, they nonetheless try very hard. In a sense, theirs is the task eternal.

What was the substance of Czechoslovakia's 1968 reform? Though it focused on politics, it started with economics. In the early 1960s, a small group of open-minded Czech economists realized that a Soviet-type command economic system did not suit a highy industrialized country with democratic traditions and European sentiments. In 1963, Czechoslovakia experienced an unprecedented socialist recession: Its GNP fell by 2.5 percent and its labor productivity by 4 percent in one year. The country's economic efficiency had been steadily declining. In 1950, to increase the national income by one crown had cost Czechoslovakia 1.33 crowns; in 1963 it cost 18.22 crowns. The more the country invested and pro-

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duced, the less it obtained in net returns. This paradox was reflected by the then popular joke: The government introduced a new vending machine. You inserted one crown and got two crowns in return. Though the machine perfectly fulfilled the prescribed plan, the government eventually decided to remove it. Why? Well, even the leaders finally comprehended that the machine had been unprofitable.

It was easy to remove the imaginary inefficient vending machine, but it was not easy to get Czechoslovakia ready to reform its inefficient economic system. After having applied the Soviet model of economic development for fifteen years, the formerly advanced country was gradually sinking to the level of the developing nations. This puzzle forced the Czech economists to look critically not only at the system's performance but at its very essence. What was wrong with it? After a series of thorough theoretical and empirical analyses, they concluded that although a Soviet-type economic model was capable of expanding the supply of capital and the labor force, it was unable to utilize production factors effectively.

Though this helped explain the vicious cycle of production for production's sake, yet another puzzle had to be clarified: Why can't a command economic system use factors of production efficiently? The answer was unequivocal: The Soviet-type system relies on the suppression of the market, but an economically efficient socialism ought to be based on a planned exploitation of the market economy. Instead of relying on an all-embracing plan, a synthesis of plan and market would better serve the economic needs of the country.

By all traditional Soviet and Eastern European standards, this was heresy. Did not Marx believe that the market causes such miseries as exploitation of wage labor, alienation of man, cyclical recessions, permanent unemployment, economic instability, and polarization of the rich and the poor? Did not Lenin, in the strict antimarket Marxist tradition, call for the creation of an economic system organized, planned, and managed as one single nationwide factory? Whatever the older Marxist tradition may suggest, the elimination of the market is nonetheless a formidable task. To abolish the market, one must first eliminate at least one of its three causes: social division of labor, scarcity, and the autonomous position of economic units.

As abolition of the social division of labor and of scarcity is out of the question, the only way to undermine the market is to end the autonomy of enterprises. Instead of behaving as independent entities, economic units would become mere workshops of a nationwide factory subject to a single economic plan. To accomplish this a centrally planned and directed system was created, with the self-regulating mechanism of the market kept to a minimum, replaced by administrative orders, prohibitions, and regulations, and with a command plan imposed on its recipients as the aim, method, and touchstone of all economic activity.

CAN SUCH A SYSTEM ever work? No doubt—provided that the general interest of society coincides with the thousands of particular interests of various social groups, work collectives, and individuals. However, this kind of coincidence is rather exceptional. As the late Professor Oskar Lange aptly pointed out, the command economic system is a kind of war economy. It is suited to periods of emergency in which the very existence of the national community is at stake and when, therefore, all partial interests must be temporarily—perhaps even forcibly—subordinated to a single aim. In any war economy, the role of the market is limited, and the role of bureaucratic bodies that enforce national priorities by means of power politics expands. What in war economies is a transitory and extraordinary method, however, is elevated to a lasting principle in the Soviet-type economic system.

> The present Czechoslovakian farce is orchestrated by cynical and corrupted clowns in a world of détente.

In the Soviet Union the system meets the needs of the military, but it cannot simultaneously satisfy the diverse needs of the consumer. Under peaceful circumstances, the command economy is not conducive to innovation, technological progress, dynamic structural changes, modernization, or overall economic efficiency. Nor can it work without binding directives, coercion, and bureaucratic control. It presupposes a passive role for both the producer and consumer, deprives them of initiative, and fails to add new options to the economic life of the population. Since command planning provides the economic base for a command political system, it cannot be radically changed without a prior or parallel political reform. To be efficient, innovative, and dynamic, the economy has to be separated from the state, decentralized, freed from the tutelage of the party bureaucracy as well as ideology, and protected from the daily interference of government bodies in economic decisionmaking at the level of the firm.

Although the Czech Communist party leader before 1968, Antonín Novotný, badly needed a more efficient economic system, he was not ready to pay the political price for it. When the economists drafted a radical economic reform in the mid-1960s, they pursued a twofold objective. On the one hand, they aimed at improving the country's economic performance. On the other hand, they assumed that a reform based on marketization would inevitably bring about three sociopolitical changes: 1. Relaxed party control over the economy would be reflected in politics; 2. Renewed freedom of choice for persons as consumers and producers would be eventually extended to persons as citizens; and 3. Renewal of contractual relations in the economic sphere would ultimately undermine hierarchical relations in the political sphere. In short, the reform economists believed that the pluralistic restructuring of the economy would gradually democratize the political system.

The reason for the reformers' hope was the reason for Novotný's apprehension: He rightly feared that if he yielded the required autonomy to the economic sector, the other sectors—culture, education, art, ideology, and politics—would demand the same. His was a fair appreciation of the instrinsic dilemma of a Soviet-type system: To be open to new impulses of science, technology, and culture, the system has to change, but to survive, the system cannot change. Since Novotný wanted to preserve the system, he flatly rejected the comprehensive reform proposal. He agreed to an experiment, however: A small group of selected firms would work under a new set of conditions while the rest of the economy proceeded under the rules of the old system. A joke told at the time

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ridiculed this experiment and correctly pointed out its absurdity: A delegation of traffic experts was sent to Great Britain to find out why the rate of traffic accidents was lower in England than in Czechoslovakia. The experts concluded that the British had a lower rate of accidents because they drove on the left. The Czech Politburo carefully studied the report and decided that the British pattern should be tested in Czechoslovakia. Since the members of the highest party body were prudent men who wished to avoid any radical traffic reform, they introduced a gradual one: In the first year, only the taxicabs would drive on the left on an experimental basis. If the experiment were successful, it would be later extended to all cars.

Novotný also believed firmly in the illusion that the command system could ultimately be perfected. The reformers quoted prominent Soviet scholars like V. V. Novozhilov and V. M. Glushkov who said that to perfect the central plan the entire population of the country would have to be engaged in planning—an impossible condition. Furthermore, according to the calculations of Soviet mathematicians, to draft an accurate and fully integrated plan for material and technical supplies alone, for a country of the size of Czechoslovakia, would require the labor of the entire world's population for a million years. However, Novotný could not believe that someone else might know better than he what the country really needed, and in January 1968 his belief in his infallibility cost him his job.

> As long as scarcity and the division of labor persist, we cannot do without the market nor reward according to need.

DURING THE SHORT Prague Spring that followed, the new party leadership headed by Alexander Dubček launched a parallel economic and political reform, which, had it not been interrupted by the Soviet invasion, might eventually have given birth to a unique brand of democratic yet Marxist socialism. Though the Russians were able to kill the Czech reform, they were unable to kill the idea of Marxist socialism with a human face. The Czech idea gave new ammunition to dissidents and revisionists in the East and facilitated the birth of Eurocommunism in the West. Its basis was as simple as this:

As long as scarcity and the division of labor persist, we cannot do without the market. Because of scarcity, people cannot be rewarded according to their needs, although socialist principle demands that people not be rewarded according to their capital. Distribution according to work assumes that rewards are related to the performance of individuals and firms; this in turn requires material incentives to stimulate innovation and productivity. The division of labor in society makes it imperative that producers mutually trade their products and services, which according to the labor theory of value, will be an exchange of equivalents. Although the most efficient instrument of economic allocation of scarce resources is the market, the most efficient device for harmonizing market allocation with welfare priorities is social planning. Hence, a synthesis of plan and market is indispensable. Since command planning and the market are mutually exclusive, another type of planning has to be found. Of all known types, only indicative social planning is compatible with the market.

Contrary to Marx's dogma that the market is incompatible with a humanely organized society, a restricted market is a sine qua non of democratic socialism. To be freed from manipulation and domination by the central planners, the producers have to attain control over their labor and products, which is impossible unless they have autonomy. Once the economic units are autonomous, and only then, can they be run by a management freely chosen, controlled, and removable by the employees. Only under this condition can the working people regain control over the economic aspects of their lives and, organized together as producers, secure their independence from the political representatives of society.

Though this system does not bring about political democracy automatically, it makes it possible. And, once political democracy is restored, social planning, carried out by politicians and civil servants, can be kept under public control. Though the Czech reformers never formulated their concepts so explicitly, this was exactly what they had in mind. Had they more time in 1968, they could have elaborated their views theoretically and tested them in practice. Had they not been purged from research institutes, universities, and government and party positions by the present Kremlin-backed regime, they could have developed the concept of democratic socialism even further.

One should not forget the merciless purges that preceded the postinvasion counterreformation: 44 cabinet ministers of the federal and the two republican governments lost their positions; 270 members of the federal and the two republican parliaments were dismissed; about 900 leading elected officials of trade unions were recalled; 64 members of the Dubček Communist party Central Committee were expelled; some 12,700 elected members of regional, district, and municipal governments were purged; some 14,000 senior party, trade union, and governmental officials were fired; approximately 150,000 civil servants, managers, economists, technicians, lawyers, professors, teachers, diplomats, journalists, actors, writers, judges, and scientists were deprived of their jobs. As the pro-Soviet director of the Institute of Physics of the Czechoslovak Academy of Sciences, one Dr. R. Procházka, put it, "I would purge even Einstein if he were a reformer." If one adds to the victims of the purges another 100,000 people who emigrated to the West, one may conclude that the country lost most of its intellectual elite. For a nation of 15 million people, such a sudden loss was what the French Communist author Louis Aragon called a "Biafra of the spirit" and the Nobel Prize winner Heinrich Böll, the creation of "a perfect cultural cemetery."

As a consequence of its return to the prereform economic system, Czechoslovakia is again suffering from the well-known diseases of command planning. Productivity of capital went down by 3.1 percent between 1970 and 1975. The technological obsolescence of the economy continues: 31.7 percent of Czechoslovak machinery and equipment was more than fifteen years old in 1976. No wonder Czechoslovak exports to the West scarcely meet world quality standards. On average, Czechoslovak machines are twice as heavy as their Western counterparts and about 20 percent less productive. Though machinery and machine tools are the leading Czechoslovak export industry, the country's share in world machinery exports de-

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clined from 3 percent in 1960 to 1.86 percent in 1974. Since 1973, Czechoslovakia's overall foreign trade balance has been negative. What is worse, Czechoslovakia has had a deficit with Comecon since 1974 and with the Soviet Union since 1975, and its trade deficit with the West almost tripled between 1974 and 1977.

Since command planning cannot produce domestic innovations, Czechoslovakia is forced to import them from the West. To pay for them, the country has to increase its exports to hard currency markets. Hence, Czechoslovakia needs to sell its best machinery in the West. Because of détente and growing East-West trade, Czechoslovak machinery has been facing, since 1973, increasing Western competition in the Soviet and East European market. The Soviet Union, which supplies Czechoslovakia with oil, gas, and other vital raw materials, insists that Czechoslovakia sell its best machinery to Russia in exchange. Finally, to improve the standards of the Czechoslovak machinery industry, the best equipment ought to be used at home for badly needed improvements.

Since it is impossible to meet all three priorities, Czechoslovakia is caught in a vicious circle to which the command economy offers no solution. Economic reform is now out of the question (the very word "reform" disappeared from the Czech official vocabulary except in a derogatory sense), and only an old cure is available, an increase of investments in production factors, which is notably ineffective. The Czechoslovak rate of accumulation, however, is already too high: around 30 percent of the GNP.

> Czechoslovakia, today, is caught in a vicious circle to which the command economy offers no real solution.

Domestic pressures for higher private consumption are strong. Though the regime wants to satisfy domestic consumer needs, it must invest more and more in its machinery industries if it is to improve its balance of payments. According to its prospective plans, Czechoslovakia intends to increase its machinery production by 175.6 percent in the next ten years. This reminds one of the situation preceding the recession of 1963: Overinvestment on a low technological level creates disproportions, leads to diminishing returns, undermines living standards, and creates inflationary pressures. In the 1970s, the money supply has grown twice as much as the national income, and 300 billion crowns (circa $30 billion) worth of products cannot be sold because of their low quality.

But this is only a part of the story. There is a huge parallel economy or black market in Czechoslovakia. Consumers have to pay black market prices for goods and services in short supply. What is even more unsettling, once the official market was curtailed, people came to use the black market not merely for private consumption but also to keep productive enterprises supplied. And finally, after the reintroduction of the old command system, the black market now includes bribes for practically everything provided by public services, government offices, local authorities, and socialist enterprises.

WITH THE PREVAILING cynicism and loss of socialist ideals in the 1970s, corruption has reached gigantic proportions. A cartoon in an official satirical journal featured Archimedes saying, "Give me just a hint whom to bribe and I will move the earth." A story suggests that the scale for bribes has now stabilized. A young Czech medical doctor who married a young East German medical doctor applied for an emigration visa to East Germany. He knew that he would have to bribe the passport official but he did not know how much. A friend offered him good advice: "Put 5,000 crowns into one envelope, and give it to the official. If it is not enough, give him yet another envelope with 10,000 crowns. And if even this is not enough, give him yet another envelope with 15,000 crowns—30,000 crowns should do it." The doctor proceeded as advised, and when he came a few days later to pick up his passport, he found out that he got an emigration permit to West Germany. "Hey," he told the official, "this must be a mistake. I applied for a visa to East Germany." The official apologized, corrected the visa, and gave the doctor back 20,000 crowns—to emigrate to East Germany is cheaper than to go to the West for good.

More seriously, the system of parallel economies has one definite disadvantage: Whereas an officially sanctioned market structure may serve as the economic basis for political democracy, the unofficial black market can serve at best as the economic basis for corruption and bribery.

Although there is scarcely a chance for the kind of reform proposed in 1968 in Czechoslovakia to be put in practice anywhere in Eastern Europe in the near future, such a program has had a deep impact on several Western European Communist parties, especially those of Italy and Spain. Most of the Western European Communist parties strongly condemned the Soviet invasion of Czechoslovakia and have reiterated this condemnation several times since 1968, most recently on the tenth anniversary, in August of 1978. They do not hide the fact that their sympathies are with the purged Czech reformers rather than with the pro-Soviet Husák regime. Like the Czech reformers, Eurocommunists believe that socialism can be economically efficient and can be combined with political democracy and individual freedom. That is why they have deleted such discredited concepts as the dictatorship of the proletariat, the one-party system, the leading role of the Communist party, and command economic planning from their programs and vocabularies.

While all this is laudable, Eurocommunism is still much more a tendency than a crystallized democratic movement. After all, even its most prominent representatives have not yet fully broken with Leninism. In this respect, they are far behind the radical wing of the Czech reform communists. At present, the great themes of the Prague Spring—market socialism, economic and political pluralism, self-management, and individual freedom—are widely and heatedly discussed by French, Italian, and Spanish Communists. Unlike the Czechs, Western European Communists know the Soviet-type system mainly from hearsay, and few of them have experienced its monstrosities first hand. While this lack of personal experience makes their criticism of bureaucratic socialism less emotional, it also slows down their full conversion to socialism with a human face.

Yet if one looks at 1968 Czechoslovak reform from the perspective of today, its message seems to be even more clear and relevant than it was eleven years ago. ❑

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HARVARD GUIDE TO CONTEMPORARY AMERICAN WRITING, edited by Daniel Hoffman. Harvard University Press, 606 pp., $18.50.

Transatlantic perspectives

ANTHONY BURGESS

READERS WILL NOT, I THINK, regard as an act of presumption the appraisal of this important American book by an Englishman. A British writer who has attempted to survey, in a book for Italy, a book for Japan, and a book for Britain, the contemporary scene in British literature is perhaps qualified to appreciate the American literary achievement since 1945, finding in it a richness that the literary output of his own country cannot, in that same period, even begin to approach. And perhaps only a foreigner whose language is closely akin to, if not identical with, the medium we may call Ameringlish (which includes major dialects like Yidglish, Southglish, and Blackglish, as well as such important idiolects as Mailerian, Nabokovian, Rothian, and Bellovian), can interpret to Americans the essential American quality of American writing.

In the survey of the intellectual background with which Alan Trachtenberg begins this huge panorama, an Englishman sees how revolutionary have been the upheavals of thought and feeling that have animated America since the end of the Second World War. America emerged from that war fresher and richer than ever, its manpower virtually intact in comparison with the rest of the belligerents. With Nazi Germany crushed, Soviet Russia assumed the status of chief exemplar of evil, and a simplistic image of America as Jerusalem the Golden, utopia and cornucopia, flaunting the torch of free speech and free enterprise, sustained the middle-class bulk of the nation. Communism was the great enemy, and the American Way of Life had to be protected from it, even at the expense of the limitation of the very freedom that was so brashly lauded.

Gloom and self-questioning followed the damnable McCarthy era. The blacks, who had no part in the general prosperity, became militant, and so did the young, who detested the new metaphysic of consumerism. America invaded Vietnam in the name of democracy, and soon became consumed with doubt and guilt. New pressure groups, forces of female and homosexual liberation, inflamed the guilt, as did the Kennedy assassination and the Watergate scandal (which, incidentally, would hardly have quickened a pulse in a sophisticated country like Italy). America, in 1979, is breast-beating, worried, above all suffused with a conviction of guilt which, to a European, must seem pathologically excessive. Out of this mental and spiritual turmoil a remarkable literature has emerged.

There is nowhere else such creative vitality and excellence as in America.

Permit me to compare briefly the American situation with the British. Britain ended the war tired, bankrupt, but prepared to try the experiment of socialism. Socialism has not worked as well as the socialists had expected, but despite the occasional Tory interim, Britain is committed to it. The welfare state remains with us, and it has been responsible for a kind of literary quietism. There has been little to fight for except the right of the provincial voice to be heard in the capital (hence the Angry Young Men and the Beatles).

England has known bitter race conflict, but this has produced no apocalyptic pronouncements like James Baldwin's *The Fire Next Time*. The women and the gays (an old jail term for homosexuals) have echoed the vociferations of their American sisters and brothers, but without memorializing their grievances in immortal words—unless we except Germaine Greer's *The Female Eunuch* and Doris Lessing's *The Golden Notebook* (both, incidentally, as much "colonial" works as anything that comes out of America). The British empire was dismantled, foreign travel allowances were reduced to the minimum, and British writers were forced to stay at home. At home there was not much to write about except for adultery in Hampstead, the ambitions of Oxonians in the new media, and the grumbles of everyone about high taxation. Writers were rarely sheltered on campuses or temporarily enriched with state subventions. Novels and volumes of verse have, perforce, been very thin. There is a sense that there is less blood to flow than in America.

This American survey divides its large subject into categories some of which would be inapposite in a British equivalent. Leo Braudy deals with the fictional "main stream," Mark Shechner with Jewish writers, Josephine Hendin with experimental fiction, Nathan A. Scott, Jr. with black literature, Elizabeth Janeway with women's literature, Daniel Hoffman devotes three long chapters to poetry, Lewis P. Simpson writes on Southern fiction, and Gerald Weales summarizes the American theater. Britain has no regional equivalent to the literature of the South, though Wales, Ireland, and Scotland produce fiction, poetry, and drama with a pronounced Anglo-Celtic flavor. Women write, and so do immigrants from India, Africa, and the West Indies, but there is no tendency in British surveys of contemporary literature to force sexual or ethnic compartmentalizations. We have our Jewish writers, like Gerda Charles and Bernard Kops, but they are not

Among ANTHONY BURGESS's recent books is 1985, *published by Little, Brown.*

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distinct from the main literary stream. I doubt if we have enough poetry to justify a tripartite examination.

A British book of this kind and of these dimensions would prefer a division of a somewhat arbitrary nature: in terms of geographic subject matter, stylistic derivation, the earnest and the comic. It is hard for an Englishman to accept that Saul Bellow has to be approached in terms different from those in which, say, William Styron has to be examined. Both seem, to a foreigner, to write in a kind of English peculiarly American—rich, rhetorical, unself-conscious, allusive. But, being tepid as to divisions of race, color, and sex, we British prefer to concentrate on form—the *roman fleuve*, the *nouveau roman* or antinovel, the Jamesian inheritance, the neo-Dickensian, the opaque style and the transparent. There is not much concern in this book with *how* people write (except for the poets, where it is mostly how and rarely what). The big themes are the finding of identity, the agonies of social injustice, sex.

BEHIND ALL CONTEMporary American literature (and only dimly reflected in British) are the new thinkers: Reich, Marcuse, McLuhan, Hannah Arendt, the Kinsey of the *Report*, our own (or Scotland's) Laing. Many novelists and poets are also academics—a situation practically unknown in Britain—so that Bellow's qualifications in anthropology and Gardner's in early English literature are highly relevant to their fiction. There is bound here to be a concentration on the intellectual substructure of American writing, and the solid content of thought that gives weight to so much of it is highly impressive to a British litérateur who feels that the literature of his own culture tends to the empirical and a consequent casualness, even frivolity. What he appreciates in John Updike is the brilliance of his style, however, not his conflation of Protestantism and sex, and in Mailer a masculine rhythm that engagingly reconciles arrogance and diffidence, not his mystique or his politique. If, as an Englishman, I regret that in this survey there is an insufficient concern with structure and the deployment of language, that must be accounted an exotic quirk to be brushed aside impatiently by American readers.

But, as an Englishman, I have a certain national claim on at least the poetry of modern America, since Auden began as a British poet and Eliot ended as one and the influence of both forms a large part of Daniel Hoffman's close examination of the progress of American poetry since the war. It is probably in this field, much more than the fictional, that our two countries achieve a rapprochement, with an acknowledgment of such common forebears as Donne and Marvell, America paying only lip service (despite John Berryman's magnificent tribute) to Mistress Anne Bradstreet and Master Edward Taylor (born Northhampton the one, Coventry the other). I find Hoffman's chapters wholly engrossing and informative even if I cannot accept his laudations of Ginsberg, a mediocre and self-pitying poetaster though, in the American manner that goes back to Vachel Lindsay, a rumbustious performer.

There is some admirable criticism in the chapters on contemporary American fiction, as well as room for compassionate assessments of such classic self-pitiers as Hemingway and O'Hara. I miss both Wilfrid Sheed and J. F. Powers and would like to have heard something of Budd Schulberg's *The Disenchanted* (which for some reason, probably its excellence, I have read ten times) and Herman Wouk's patriotic blockbusters. And if these writers are less than good, I wish to know why, especially as the emphasis is on content rather than form. I mean, James Jones is here, and *From Here to Eternity* strikes me as not superior to *The Caine Mutiny*. Mailer, who is treated under at least three parameters, gets his due, but Nabokov seems to be held gingerly with tongs, as a glittering exotic insect that may suddenly spit poison. He "can hold the reader spellbound in the grip of his dense and rich narcissism.

JOHN OBERDORF

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Writing about himself, he parodies himself, committing literary incest." Philip Roth is analyzed at admirable length, and we are reminded of what, after the recent *Professor of Desire*, we may be disposed to forget: that *Portnoy's Complaint* is one of the funniest books of the age. The experimental novelists, such as Barth, Barthelme, and Burroughs, are revealed as less innovative than gimmicky; the great age of remaking fictional form ended in 1939, and John Dos Passos, who taught something to the young Mailer, was the American master of what is, after all, essentially a European preserve. It is the job of the Americans to teach us, and they have taught many of us, how to expand fictional language.

A. Walton Litz's chapter on literary criticism reminds us of how much we owe to empirical masters like Edmund Wilson and how dangerous is that opposed tendency of the academies to set up dogmatic systems based on wisps of suggestion in Eliot's essays or the "niggling pages" of Empson. Criticism tends also in America to assume the status of an autonomous discipline, of equal importance to the art it is supposed to serve, and I have had myself, in American universities, too much experience of students who prefer the commentary to the text. It is in this pretension that the world of American letters comes closest to that of France, where what the poet or novelist wrote is less important than the *sous-texte*, which is the invention of critics. The British, always pragmatic, do not think in this way. The authority of American scholarship, which, especially in the field of literary biography, is perhaps the finest in the world, thus parallels the authority of American literary creativity, which the British are too self-distrustful to hope to match.

American readers of this book ought to be reminded, as I remind them now, that there is nowhere in the modern world such creative vitality and such excellence of achievement as there is in America. Little is coming out of either France or Italy, and my own country, unanimated by conviction, energy, or, even in the matter of commercial allure, sheer vulgar push, is, for the present, very much in the shadows. But Americans ought to be reminded too that, certainly in fiction and perhaps also in the drama, there are what even friendly outside assessors must regard as gross faults that a Hawthorne or even an Edith Wharton would not have tolerated—massiveness for its own sake, shrillness, a complacent acquiescence in violence. There is also too much explicit sex and too much of it is oral. And there is also a flavor of self-commiseration (not enough money, not enough recognition, not enough justice, not enough sex or, when enough, sex not good enough) perhaps summed up best in the opening of Ginsberg's *Howl*:

> *I saw the best minds of my generation destroyed by madness, starving hysterical naked, dragging themselves through the negro streets at dawn looking for an angry fix, angelheaded hipsters burning for the ancient heavenly connection to the starry dynamo in the machinery of night. . . .*

Starving? Naked? Really, Mr. Ginsberg. Impressed by the noise, we Europeans are not seduced by the nonsense.

Finally I would point to another danger—that of including certain authors not because of talent but because they happen to be downtrodden blacks or militant women. I have already, in literary symposia in America, been threatened with mutilation or death for failing to find genius in some black effusion about the necessity of castrating white men, or some feminist effusion about the necessity of castrating all men. I don't like having to look at literature from separatist angles that impose special aesthetic rules. Literature is always literature, and even women have been writing it for a long time. Mary Ellmann wrote a book called *Thinking About Women* (1968). Elizabeth Janeway says:

> The chapter on phallic criticism is a graveyard where can be found generations of self-deceptive, self-congratulatory opinions on women writers, still not unknown, but increasingly embarrassing to read. It is worth being reminded of how widespread and how respectable has been the unquestioned assumption of women's inevitable, innate, and significant "otherness," and Ellmann here collects utterances on the subject not only from those we might expect (Norman Mailer, Leslie Fiedler, Anthony Burgess), but from Robert Lowell, Malamud, Beckett, and Reinhold Niebuhr.

It is this fear of, with the best will in the world, saying something wrong in literary discussion—and that something perhaps one of the dispassionate aesthetic judgments to which critics prefer to limit themselves—that keeps me away from American colleges. And I am tired of hearing that all literature should be tendentious, and that no white writer can create a black character and no male writer a female character. All humanity is the writer's province. There are no limitations except those of talent. ❑

***THE RIGHT STUFF*, by Tom Wolfe. Farrar, Straus & Giroux, 436 pp., $12.95.**

Cereal-box heroes

WILLIAM C. DOWLING

THE RIGHT STUFF IS ABOUT the Mercury space program and its astronauts, those shining heroes of the early sixties who, wedged impassively into tiny capsules atop huge Mercury-Redstone rocket systems, allowed themselves to be fired into outer space. (The "right stuff" is pilot slang for, in military language, an "uncritical willingness to face danger.") Yet Tom Wolfe, as in his earlier books, is not content merely to tell their story; he wants to make a point. Remember the Mercury astronauts? (Remember Schirra? Shepard? Carpenter? Glenn?) Remember those decently taciturn, gravely patriotic, God-fearing symbols of small-town American values? Well, they weren't really like that. Or, to adopt Wolfe's favored style of emphasis, they weren't really *like* that!

The point, surely, is worth making. The astronaut as instant hero, the very symbol of a vacuous nationalism, was always an inherently unbelievable figure, someone belonging less to reality than to the world of Norman Rockwell's wartime *Saturday Evening Post* covers. It is good to be reminded that the image was created not by the astronauts themselves—though John Glenn accepted the role with an unlovely alacrity—but by a nation in the grip of Cold War hysteria (Sputnik had just been launched), a government eager to provide a symbol of the superiority of the American way (God, Flag, and Project Mercury), and, most of all, a press wholeheartedly de-

Among WILLIAM C. DOWLING's books is The Boswellian Hero.

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voted both to consecrating the image and to suppressing anything inconsistent with it.

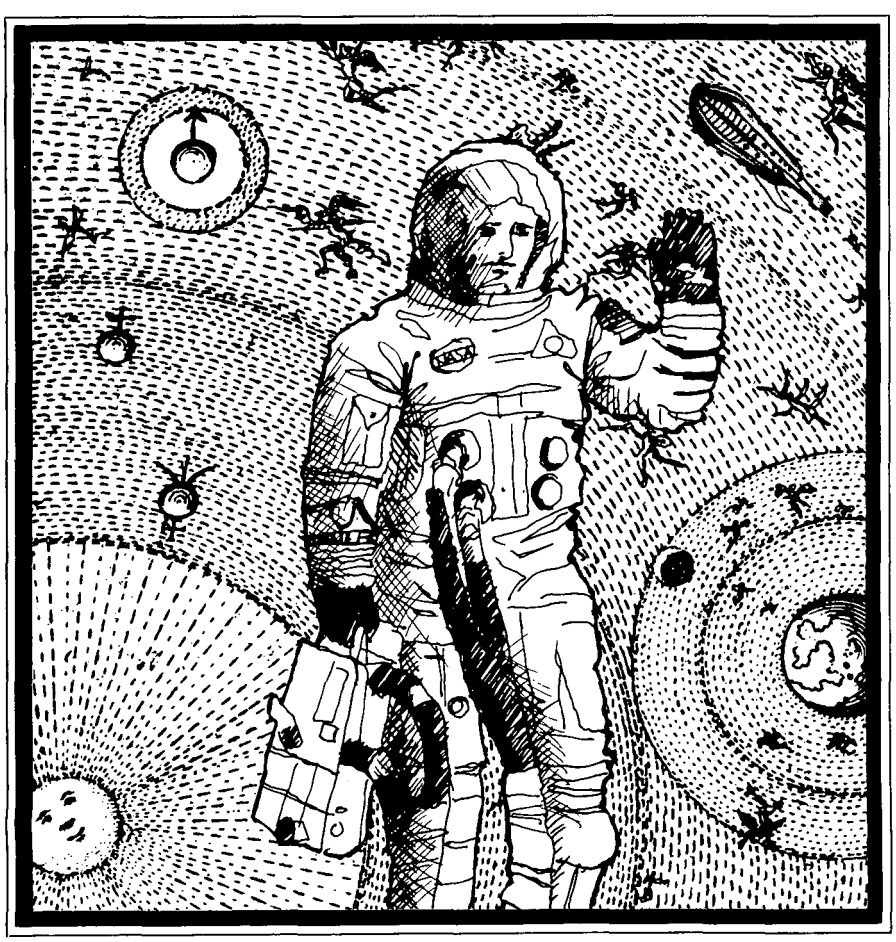
It is good to be reminded of this; good to be reminded of James Reston leaving the first press conference of the Mercury astronauts to write a *New York Times* column saying that the very sight of these brave young men made his heart beat a little faster; good too to be taken into the world actually inhabited by those first astronauts, the hard-drinking, profane, insanely risky world of combat pilots and military test pilots, the world of nighttime landings on the greasy, heaving decks of aircraft carriers, of shuddering, battering thrusts against the sound barrier in the new experimental jets—into the world, in short, of the right stuff.

The Mercury astronauts came out of this world, and they were not, after all, the cereal-box heroes worshipped by an entranced nation and unremittingly sanctimonious press. Wolfe's story is a useful exercise in debunkery. And yet there is something that has always bothered me about his style of debunkery—especially in *Radical Chic*, where he devotes so many pages to demonstrating that eastern liberals of a type everyone knows, are really rather silly people. One thinks of a fable invented by Randall Jarrell: Once there was a princess who was so sensitive she could not sleep on a single mattress, and so they piled thirteen mattresses one on top of the other to make her a bed. Still she tossed all night long, and when in the morning they unstacked the mattresses they found, underneath the last mattress, a horse.

The debunkery comes dressed in the trimmings of the New Journalism that Wolfe's earlier books did so much to promote. Too much has been written about that journalism pro and con, already, so I will merely issue an update. As *Mauve Gloves and Madmen* gave us psychobabble culture viewed on the level of the hemorrhoid, this book gives the space program viewed on the level of the enema, the rectal thermometer, and the facial eruption ("zits, hickies, whiteheads, blackheads, goopheads, goobers, pips, acne trenches . . . "). There is Wolfe's usual fascination with brand-names, and his usual confidence that they tell a story of their own (the astronauts wore, in their private hours, Banlon shirts. By their shirts ye shall know them!). There are, as before, the exclamation points.

The exclamation point is the emblem of Wolfe's journalistic style, and the exclamation point is getting tired. Here, for instance, is Wolfe reporting on the low base pay of military pilots as it affected Scott Carpenter and his family: "And Scott and Rene had four children!" This is typography no longer as emphasis but as tic (My favorite beverage is coffee! The Battle of Hastings was fought in 1066!), and it grows wearisome. Along with this comes, as in certain of Wolfe's other books, a Thesis Idea, the sort of thing a bright undergraduate dreams up in hopes of making a late-night paper hang together. It is, this time, something about single-warrior combat (David versus Goliath: our astronauts, one to a space capsule, versus the Russians).

The emblem of Wolfe's style is the exclamation point, and it is getting tired.



THAT SAID, THE RIGHT *Stuff* remains a brilliant book, far and away the best Tom Wolfe has written. It is brilliant, first of all, as the story of a monstrous boondoggle; of a military and scientific establishment caught utterly by surprise by Sputnik and unable to respond rationally to this new notion of manned space flight; of a Congress moved to vote, in a sudden patriotic frenzy, a blank check for the Mercury program. For every purpose of Project Mercury, as a few sober voices kept pointing out, was served by the trained chimpanzees fired into space before the first manned flight; the human astronaut was merely another test subject, and his value was purely symbolic.

It is the utter inanity of the national mood that Wolfe captures so beautifully: the sense of directionless bustle in government—the instant creation of NASA, the pointlessly "top secret" selection of astronauts—and sleazy patriotism in Congress—Lyndon Johnson, urging Congress to vote still more billions to the space program, declaring that he had no intention, personally, of going to bed with a "Communist moon" over his head—and, finally, of national hysteria and bathos in the country at large. In New York, during the ticker-tape parade

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celebrating Glenn's flight, even the traffic cops cried ("They were right out in the intersections in front of everybody, bawling away—tears streaming down their faces, saluting. . . . The New York cops!").

Wolfe is brilliant, too, at portraying the mindlessness of the television coverage that orchestrated the national response to the Mercury flights. Or rather, the mindlessness of television itself, the vacant idiocy written into the nature of the medium. I cannot resist the urge to quote; here are the reporters gathered around the house of Alan Shepard as he lies wedged in his capsule awaiting liftoff. Louise Shepard is inside, behind drawn curtains:

> They wanted a moan, a tear, some twisted features, a few inside words from friends, any goddamned thing. They were getting desperate. Give us a sign! Give us anything! Give us the diaper-service man! The diaper-service man comes down the street with his big plastic bags, smoking a cigar to provide an aromatic screen for his daily task—and they're all over him and his steamy bag. Maybe he knows the Shepards! Maybe he knows Louise! Maybe he's been in there! Maybe he knows the layout of *chez* Shepard! He locks himself in the front seat, choking on cigar smoke, and they're banging on his panel truck. "Let us in! We want to see!" They're on their knees. They're slithering in the ooze. They're interviewing the dog, the cat, the rhododendrons. . . .

The Right Stuff is brilliant, last of all, as a portrayal of politicians abasing themselves before the unreal idols of their own creation. There is John Kennedy inviting one after another of the Mercury astronauts to the White House, even to private parties at Hyannisport, with the tacit understanding that they have become the public relations symbols of his New Frontier. There is Lyndon Johnson at a reception for Glenn, "oozing protocol . . . , straining to get at John and pour Texas all over him." There are senators and congressmen bellying their way through the room, crazy just to get next to one of the astronauts. There is, astonishingly, the picture of an astronaut addressing a joint session of Congress: "There was John standing up there at the podium, with Lyndon Johnson and John McCormack seated behind him, and the rest of them *looking up at him* from their seats. In adoration, too!"

The source of this brilliance is not, I think, far to seek. The usual charge against the New Journalism is that it trivializes, lacks a moral center, dwells eternally on the surface of things. And these were precisely the qualities of Project Mercury, a huge national exercise in triviality, a noisy drama with no real center, a gigantic monument to the superficial. In the American space program of the early sixties the New Journalism at last discovers a subject suited to its peculiar genius. ❏

NOT TO THE SWIFT: The Old Isolationists in the Cold War Era, by Justus Doenecke. Bucknell University Press, 289 pp., $8.95 (paper).

Stand against history

ROBERT BRESLER

FROM THE PERSPECTIVE OF a generation chastened by the dangers of military intervention, it may be difficult to comprehend why the old isolationists of the early Cold War years were so often ridiculed and so frequently defeated. Many liberals, in particular, have come to regret their dismissal of Harry Elmer Barnes and Lawrence Dennis—not to mention Senator Robert A. Taft, Sr. (R-Ohio), and Senator William Langer (R-N.D.).

Justus Doenecke's *Not to the Swift* is not, however, another romantic rediscovery of these one time pariahs. Doenecke's account is sympathetic, but it also forces us to accept the ambiguous nature of their legacy. We see this extraordinary collection of prophets and curmudgeons for what they in all likelihood were: intellectually courageous, historically prescient, personally embittered, and politically opportunistic. Blame for their political failure cannot be placed entirely upon those who refused to heed their advice, for their advice, often inconsistent and confusing, was rarely easy to follow.

Their story, which Doenecke tells with meticulous care, is tragic and painful. After Pearl Harbor the choices were increasingly difficult. It was no longer possible to be both a militant anti-Communist and a militant anti-interventionist. World War II had profoundly changed the world of these old isolationists. The patriotic symbols of these former America Firsters had been usurped by the interventionists. By 1947 a powerful centrist coalition was arrayed against them. The Chamber of Commerce and the National Association of Manufacturers, which had remained aloof from the foreign policy debate of 1940–41, became solid supporters of the Marshall Plan. Many of the isolationists' most effective and articulate leaders—Burton K. Wheeler, Robert LaFollette, Jr., and Gerald Nye—had gone down to political defeat.

What held this disparate collection of conservatives, reactionaries, pacifists, and radicals together was, Doenecke insists, not "social caste or geographical location" but a nostalgic vision of America. Military intervention required a mobilization of society that was to shatter the old way of life. As wistful as their vision may always have been, it was still far easier to dream of the American Arcadia prior to World War II than after it. Each battle the old isolationists lost, from lend-lease to the Truman Doctrine to the Bricker Amendment, created new political realities and made the next battle even more difficult.

Having already sacrificed so much for European independence and stability, Americans were not likely to refuse the multibillion dollar loan to Great Britain in 1946 or, for that matter, to vote against Marshall Plan aid. New economic realities were also difficult to ignore. In endorsing the loan to Britain (a country that symbolized to many old isolationists the twin evils of socialism and imperialism), Senator Arthur Vandenberg (R-Mich.), a recent convert to internationalism, confessed, "one out of

The advice of the isolationists, often inconsistent and confusing, was rarely easy to follow.

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five workers in my home state of Michigan normally depends upon export orders for his job."

Many crucial leaders of the old isolationists changed with the world and could not resist the temptation to sign up for the anti-Red crusade. The debate over the Truman Doctrine was a symbolic turning point. Salvaging the British-sponsored royalist regime in Greece was a distasteful task for many old isolationists. But it was not *that* distasteful a task. Representative Karl Mundt (R-S.D.), a former America Firster, supported Truman and insisted that "the Red torrent be kept from our shores." Vandenberg, who in the 1930s wanted a constitutional amendment barring war profits, sounded like a born-again globalist. He warned of a Soviet threat reaching "from the Dardanelles to the China Sea and westward to the rim of the Atlantic." Vandenberg carefully outmaneuvered his old allies in the course of the debate. He deterred the efforts of two persistent old isolationists, Senator Edwin C. Johnson (D-Colo.) and Representative George Bender (R-Ohio), to delete military aid to Turkey from the bill. There were others who remained faithful to their anti-interventionist principles, among them Joseph P. Kennedy, Frank Chodorov, Edwin Borchard, and Representative Claire Hoffman (R-Mich.), but their ranks had been seriously depleted.

Doenecke ruefully notes that one third of the old isolationists remaining in the Senate voted against the Truman Doctrine and in the House only slightly more than half opposed the President. But beyond these figures was something far more serious. Many of the old isolationists were adopting the concepts of deterrence and credibility, concepts that were to be part of the catechism of interventionist theology.

HAVING SO COMPROMISED their position during the Truman Doctrine debate, many old isolationists found if difficult, two years later, to muster a consistent and effective argument against the NATO Treaty and the accompanying Military Assistance Program (MAP). Taft and Senator Ralph Flanders (R-Vt.) offered to replace NATO and the MAP program with a unilateral extension of the Monroe Doctrine. What Taft was proposing could no longer be called isolationism. It was rather a policy of interventionism based upon an air/sea strategy inspired by General Bonner Fellers. The atomic bomb and the intercontinental bomber provided Taft and others with a technological fix—a means of reconciling their hatred of the Soviet Union with a genuine desire to avoid American troop commitments. A nuclear umbrella would be extended over all those areas having interests vital to the United States. By 1951, Taft wanted to place under that umbrella North Africa, Spain, the Suez Canal, Singapore, and the Malay peninsula. One can see from here direct lines to Dulles's massive retaliation and the erstwhile Nixon Doctrine. What had been in 1941 a crackling debate over America's role in the modern world had evolved, ten years later, into a technical debate over effective strategies of intervention. It was hard to imagine that prior to Pearl Harbor Taft had questioned the interventionist dogma that America's frontier lay on the Rhine.

Much of the old isolationists' contribution to the debate over China and Korea was more incendiary than restrained. The fall of Chiang's government, the Soviet development of an

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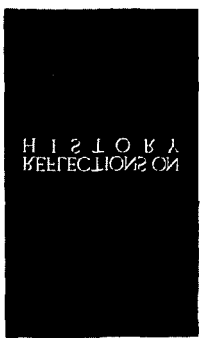

Reflections on History

By Jacob Burckhardt

Jacob Burckhardt, the nineteenth-century Swiss historian and humanist, was a friend of liberty and a skeptic of power. He foresaw the coming of collectivism, and Nietzsche found in Burckhardt an historian who "was not dominated by the general whims and dared to see things realistically." First translated into English in 1943, *Reflections on History* was previously published in the United States under the title *Force and Freedom*. With an introduction by Gottfried Dietze. "No one predicted the modern totalitarian state more accurately"—Reinhold Niebuhr in *The Nation*. "A guided tour through the history of civilization"—*Saturday Review of Literature*. Hardcover $9.00, Softcover $4.00.

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atomic bomb, and finally the Korean War provided Taft and former President Herbert Hoover with an irresistible opportunity to break through the bipartisan coalition Truman and Vandenberg had so carefully crafted. In 1949, Hoover opposed the recognition of the People's Republic of China and urged American naval protection of Formosa, the Pescadores, and Hainan Island. While few of the old isolationists were enthusiastic about our entry into the Korean War, many were soon endorsing General MacArthur's plan to expand the war to China. Hoover went so far as to call the general, himself a globalist, "a reincarnation of Saint Paul." Doenecke notes that when Senator Edwin Johnson, in May 1951, called for a "mutual withdrawal of American and Chinese troops from Korea and an armistice on the 38th parallel," of the old isolationists only Senator Langer joined him. Lawrence Dennis wrote Harry Elmer Barnes that his old allies had become "Asia Firsters" and that they "don't believe in neutrality. They just don't like one pattern of intervention and wish to replace it by their own."

Although Doenecke cites the Bricker Amendment debate of 1954 as the last stand of the old isolationists, the most poignant moment of the book describes their alliance with Senator Joseph McCarthy. Many saw McCarthy as the avenging angel against those Eastern liberals who had so eagerly smeared Lindbergh, Wheeler, Nye, and the America First movement as being "soft on Nazism." Senator Langer called McCarthy's attack on General George C. Marshall, "one of the most important speeches that has ever been made on this floor." Even such consistent anti-interventionists as John T. Flynn and Frank Chodorov succumbed to wreaking revenge on the hated liberals. Only Barnes and Dennis, men with ample reason for bitterness and motives for revenge, stand out for refusing to take part in McCarthy's crusade. For those old isolationists who followed McCarthy, the American Eden was to be a purged and cleansed society bearing a greater resemblance to Orwell's *1984* than to Arcadia.

Although Doenecke tells this story without wincing, it is indeed a painful one. As the Cold War ground on, the voices of the old isolationists were never to be as clear nor their advice as wise as before Pearl Harbor. The lessons they had once tried diligently to teach us would have to be learned by another generation all over again. ❑

F I L M

***THE ONION FIELD*, directed by Harold Becker.**

***TIME AFTER TIME*, directed by Nicholas Meyer.**

Word-pictures

STEPHEN HARVEY

ONE OF THE SONGS INcluded in Stephen Sondheim's score for the musical *Company* was a poignant number called "Sorry—Grateful"; while the specific subject of the lyric is matrimony, the title expresses a state of mind that could apply to all sorts of situations—emphatically including that of the fiction writer who sells the fruits of his labors to the movies. Scarcely a novelist exists with a commercial instinct who hasn't entertained visions of a lucrative movie sale, followed by grim hallucinations of what may be in store once some would-be *auteur* lays his hands on the tome.

Movies being a visual medium and all that, and most production deals being what they are, authors tend to have little say in the matter of transforming their prose into someone else's mise-en-scène. Nevertheless, most of them know the proper role for such occasions; it consists of ranting against those oafs on the Coast in an interview with the *Village Voice*, usually after a discreet interval has passed since the last profit participation point was tallied.

Recently the ranks of well-paid malcontents have been broken by a few obdurate souls with the private means or personal forcefulness to take the situation into their own hands. Last year Michael Crichton directed the movie version of his own thriller *Coma*, which probably turned out neither better nor worse than it would have with someone more experienced at the helm. And Joseph Wambaugh has produced the film adaptation of his *The Onion Field*, thus ensuring that his screenplay couldn't be altered to subvert his original intentions—having learned the hard way with *The Choirboys*. Meanwhile, Warner Bros. has entrusted Nicholas Meyer with the direction and adaptation of *Time After Time*, a yarn with a gimmick inspired by Meyer's own *Seven Per-Cent Solution*, although as far as I know; Meyer has heretofore never filmed so much as a Super-8 home movie. On screen as in print, Wambaugh and Meyer have safeguarded against any tampering with their respective visions, such as they are. In both cases, the results give audiences much to be sorry—grateful for as well.

Actually, if Wambaugh hadn't taken it upon himself to bring *The Onion Field* to the screen, it might never have been filmed at all at this late date. The rights to it had languished at one of the major studios for years, and understandably so; whatever its merits as drama, it goes against the prevailing winds as far as current movie subject matter is concerned. Time was, in the early seventies, when the awareness of daily guerrilla warfare in the inner city suddenly became omnipresent, and TV and the movies supplied grim release from these tensions by presenting the blue icons of law and order as figures of hero-worship. (That all this happened to occur while the Nixon regime was at its zenith may be worth a passing mention.) Wambaugh himself played no small part in this campaign aimed at glorifying the American cop, what with his novel *The New Centurions*, the subsequent film version, and his TV efforts such as *Police Story* and *The Blue Knight*.

Trends, however, follow the public mood, and even Clint Eastwood seems to have hung up his badge for the foreseeable future. Yet *The Onion Field* stubbornly persists, with its refrain of the policeman as existential hero struggling to preserve his integrity and equilibrium despite the self-induced myopia of the brass at headquarters, the criminal-coddling inefficiency of the courts, and the savagery of the animals stalking the streets in human form.

Considering further that the world described in *The Onion Field* includes only two subspecies of females, the stoic, compliant wife-mother and the lubri-

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cious tramp, perhaps it's for the best that the film doesn't pretend to take place in the immediate present. Based on a true incident that occurred in the environs of Los Angeles in 1963 and its consequences that dragged on through the courts over the next decade, *The Onion Field* pivots on a fatal encounter between a pair of policemen and two felons stopped for a routine traffic violation. While searching the car, cop Ian Campbell (Ted Danson) is disarmed by the more impulsive of the miscreants, one Greg Powell (James Woods); threatened with death, Campbell persuades his partner Karl Hettinger (John Savage) to hand over his gun as well. Powell and his accomplice Jimmy Smith (Franklyn Seales) abduct the policemen and go to an isolated onion field, where Powell coolly murders Campbell. Hettinger flees through a hail of gunfire; crucially, it's never clear which of the two kidnappers has actually taken aim at him.

Before long the criminals are apprehended, but Hettinger's ordeal has only begun. Tormented by his own sense of guilt for helping to trigger the chain of events that ended in Campbell's death, he is pilloried by the force for violating a cardinal rule: never, under any circumstances, surrender your gun. Hettinger is compelled to resign after he is caught shoplifting (an activity neither he nor his colleagues can explain), and then he is reduced to tending other people's gardens and harboring frequent thoughts of suicide. Meanwhile Powell proves to be a shrewd rat sniffing his way through the labyrinths of the law. Convincing his codefendant that the two can buy time by accusing each other of firing at the surviving officer, Powell acts as his own counsel and manages to prolong the case through endless delaying motions. By the time justice finally is done, the punishment is trifling compared to the sentence the surviving victim had long since been forced to serve.

Wambaugh's script is nothing if not meticulously structured; before the crime takes place, the activities of these two pairs of adversaries on opposite sides of the law are intercut with relentless symmetry, giving the sense that they're unwittingly trapped on a collision course that no force could have prevented. Yet the real power of the film comes from the vigor of the characterizations. After the fine work he contributed to *The Deer Hunter* and *Hair*, here Savage uses his gaunt cheeks and squinting eyes as emblems of the pain and self-loathing that Hettinger manages by sheer will to keep submerged. When these feelings do erupt—in a prolonged scene that climaxes with Hettinger slugging his baby whose cries have distracted him from blowing out the roof of his mouth—the effect is harrowing.

As the lesser of the two criminals, Franklyn Seales ably conveys the character's disdain for the white trash he's been forced to associate with, and the blubbering weakness into which he dissolves under pressure. By far the showiest performance in the film comes from James Woods, who resurrects the stereotype of lawbreaker as psychopath more graphically than anyone since Richard Widmark whinnied his way through *Kiss of Death* thirty years ago. When he played a member of the beleaguered family Weiss in *Holocaust*, his haunted stare and emaciated, pockmarked features conveyed deprivation; here they express quicksilver depravity, unctuous politesse segueing without warning into sadism.

Clearly much of the credit for all this is due to director Harold Becker, whose previous feature film work consists of one obscure British effort entitled *The Ragman's Daughter*. Becker's approach is quietly craftsmanlike throughout; if anything, his directorial presence is too unobtrusive, so scrupulous is he in following Wambaugh's blueprint. The author's thesis—that in its attempt to preserve constitutional rights, the law is skewed to favor the guilty at the expense of the victim—pervades every scene of this narrative. Yet Wambaugh's faith as a novelist in the power of the word to render ideas concrete finally makes for some pretty redundant moviemaking.

The plot of *The Onion Field* peaks fairly early on, and during the last half of the film Becker dutifully sets his camera on a succession of stillborn sequences whose sole function is to provide a forum for Wambaugh's mouthpieces (the district attorney and a police investigator) to express their frustration with the system that hampers their respective callings. All this excess footage tends to dilute the movie's dramatic momentum. *The Onion Field* turns out to be a reasonably arresting latter-day *film noir* weighed down by the tendentiousness of its creator; everyone concerned might have been better served if Wambaugh had encouraged Becker to follow the spirit of the material and not to hew so slavishly to its letter.

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TIME AFTER TIME scarcely suffers from its author's excess of pensiveness—if anything, Meyer's cleverness is too glib for his own good. For Meyer, the novel is simply a place where the *fin de siècle* elite meet; in *The Seven Per-Cent Solution*, Dr. Watson packs off Sherlock Holmes to Vienna to tell Sigmund Freud his tormented dreams so he can lay off the cocaine once and for all; in *Time After Time*, Jack the Ripper steals H. G. Wells's time machine to pursue his homicidal pleasures undetected in present-day San Francisco. The film version of Meyer's first novel (easily the most satisfying movie Herbert Ross has yet directed) was distinguished by stylish decors and camera work and witty acting by Alan Arkin, Nicol Williamson, and Laurence Olivier that compensated in good measure for Ross's somewhat laggard pacing.

Meyer, by contrast, doesn't seem particularly resourceful with actors, nor does he have a notably inventive sense of atmosphere—he might just as well have shot this film in Cincinnati. His forte is ingenious plotting, unimpeded by such niceties as visual chic or psychological resonance. According to the puckish Meyer, Jack the Ripper was actually an esteemed physician named John Stevenson (played by David Warner), one of the circle of intimates of the youthful H. G. Wells (Malcolm McDowell). Where Wells is a utopian viewing the future with fervent optimism, Stevenson's vision of the world would make even Sweeney Todd shudder. Stevenson figures rightly that his crimes might pale into inconsequence in the violent age to come. Considering his old predilection for murdering *filles de joie*, Stevenson finds ample quarry in a place and time where sexual favors are fairly freely dispensed. In a flash, Wells sets out to transport his fugitive friend back to Victorian justice. (Don't ask me how his vessel manages to get back to its inventor or why it manages to land in the precise vicinity of Wells's prey—the gears of Meyer's own machinery are so intricate that there's no figuring out just how it all meshes together.) Meyer derives maximum merriment from Wells's culture shock during his first encounters with the likes of Hare Krishna, Ma Bell, and McDonald's (which he later describes as "that Scottish place where I had breakfast this morning"). Naturally the local constabulary think this apparition in a celluloid collar who claims to be Sherlock Holmes (again, don't bother me with details) is just another local loony and dismiss his yarn out of hand. By this point the hunter and hunted have shifted places, propelled by Meyer to an appropriately breathless conclusion.

Time After Time might have been really delicious if only the characters had been as engagingly intricate as the tall tale that contains them. The iconoclastic boyishness that was once McDowell's stock in trade has diminished with age, but he hasn't yet found a replacement for it; instead of the magnetic, inquisitive Wells the viewer has a right to expect, McDowell and Meyer offer up merely a sweetly befuddled variation on the Absent Minded Professor. Worse yet is the love object Meyer has concocted to give Wells a taste of romance à la mode. It's not long before Wells is offering Amy (Mary Steenburgen) a cozy seat in his time machine, although she really belongs in a time capsule along with a copy of *Scruples* and a lock of Donna Summer's tresses. With her frizzy coiffure, woozy stare, and dizzy syntax, Steenburgen has been cut whole-cloth from an Annie Hall Simplicity pattern; moreover, as an officer at the bank where Jack and H. G. exchange their sovereigns for bucks, she utters enough stilted broadsides about a woman's Career to fill three consecutive issues of *Self* magazine. (This despite the fact that Amy is forever slipping away from her desk to show H.G. the local sights.) H.G. and Amy, fragile wimps that they are, make for awfully arch company as the film winds down, but in a sense the canny Meyer knew what he was up to: Since they seem pretty puny measured against the looming, firm-jawed menace of David Warner, the chances of their eventual triumph seem all the more remote.

No such alibi can explain the remarkably tacky light show Meyer resorts to whenever Wells's contraption starts doing its time-warp routine. True to an archaic movie tradition, however, the delirious schmaltz of veteran Miklos Rosza's score camouflages more than its share of visual lapses. (Anyway, I can forgive almost anything from a movie that resurrects the old Warner Bros. fanfare at the start of the title sequence.) While Meyer shows himself to be a perfectly serviceable director, he does a disservice to this story in the process of trying out his new metier. With a calculated artifice like *Time After Time*, smooth quips and ingenious construction may suffice on the page—but the screen requires another language entirely, and its own brand of moving-image razzle-dazzle.

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